ProConnect Supply Chain Solutions Limited I Annual Report 2018-19

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Or simply scan to download

Seamless
Solutions

Multiplying
Momentum

The state-of-the-art, strategically located, IT-enabled facilities of ProConnect are designed to provide customers with seamless and agile supply chain solutions.

The Company has the strength and ability to effectively integrate its execution capabilities to deliver high quality, seamless, scalable and cost-effective solutions. Building on these strengths, it works towards providing smooth and customized solutions to the customers' dynamic requirements. Our expertise and ingenious solutions have helped the customers grow their business. Further, with the widespread distribution network, we offer complete coverage, as and when our customers need it. All this has enabled us to multiply momentum by expanding the services and reach. We have also geared up to further build the momentum through acquisitions, use of cutting-edge technology as well as automation and organic growth.

19814 Pin Codes — Locations serviced

₹ 403.46 Crore — Revenue in FY 2018-19

₹ 58.10 Crore — EBITDA* in FY 2018-19

14.4% — EBITDA Margin

₹ 30.70 Crore — PAT** in FY 2018-19

7.60% — PAT Margin

*Earnings before interest, depreciation, tax and amortisation
** Profit after tax
***All the numbers are on Consolidated basis

The end-to-end 3PL Specialist

Established in 2012 and head quartered in Chennai, ProConnect Supply Chain Solutions Limited ('ProConnect' or 'the Company') is among the top ten supply chain logistics providers in India. It is one of the foremost divisions of its parent company, Redington (India) Limited. We are a supply chain management, warehousing and end-to-end supply chain specialist. We are positioned among the key Third-Party Logistics (3PL) service providers to service the customer requirements. With operations across India, we deliver prompt, responsive service to our customers. Our adaptability and technological prowess enable us to offer expert advice across various verticals. Our solutions cater to various industry segments such as:

- **Consumer Durables**
- **FMCG**
- **IT Hardware**
- **Telecom**
- **Lifestyle**
- **Food Products**
- **Automotive**

The Company has been growing strongly and steadily with strong distribution network, large warehouse space, well-equipped distribution centres and a pool of satisfied customers.

For us customers are always the prime focus. We constantly try offering new value-additive and seamless solutions for giving them a better experience. We also offer customised solutions to cater to the client's specific requirements at cost-effective rates. Our in-depth knowledge and expertise help us to offer seamless transition and solutions for their 3PL set up. We also undertake periodic operational review to ensure total compliance and to meet our customers' expectations and standards. We keep upgrading our quality standards to provide our clients with the latest innovations in the field.

1.31 Lakh metric tonnes — Goods transported per annum

180+ — End-to-end solutions offered to leading brands

180+ — Warehouses across India

6.78 Million sq. ft. — Warehouse space

95.04 Crore — Units handled

1.9 Lakhs — SKUs handled

9001: 2015 — ISO certification for quality process

How we create value:

- **Agile, responsive and customer focused**
- **Cost-effective and customised solutions**
- **Technical and value-added services expertise**
- **Adherence to fair practices in all dealings with employees and business partners**
- **Proactive approach for deep sell and cross sell towards a broad customer base**

ProConnect Integrated Logistics
a Redington company

Chairman's Message

Looking forward, I firmly believe that the Company is well-positioned, both financially and operationally, for growth.

Dear Shareholders,

I am delighted to present the Annual Report of ProConnect Supply Chain Solutions Limited for the year ended 2018-19. The year was marked by some landmark achievements such as acquisition of a majority stake in Auroma Logistics, implementation of ERP and process automation mechanism. The combination of all these helped us achieve higher revenue targets.

While progressing, we always derive our strength from our strong roots with everyone connected to us. During this financial year, the Board of Directors and the Management have changed the logo of the Company in line with the Parent Company, Redington Group. The symbol is a manifestation of the Parent Company logo and symbolises the synergy and oneness we possess as an organisation with respect to our service providers, our customers, our team, the environment and technology.

We back our vision by following highest quality standards and strive to integrate the best practices to achieve higher results, both financially and operationally. This approach has helped us in achieving the latest ISO Certification-9001:2015 for quality process. Also, the successful roll out Next Generation ERP RAMCO has enhanced the way of doing business.

Our revenue increased by 26% from ₹ 320.64 Crore in 2017-18 to ₹ 403.46 Crore in 2018-19. Further, EBITDA and PAT increased by 16.64% and 12.3% as compared to the previous year. The capacities in warehousing increased to 6.8 Mn Sq.ft. as against 6.3 Mn Sq.ft. during previous financial year. The existing facilities are currently running at 95% utilization with the ability to expand the capacity based on customers demand.

Strategic Priorities:

Our strategy is to continue focusing on:

- Technology and automation across departments that will assist in responding rapidly. Further, the emphasis on BI reporting and Analytics, give power to clients through data analytics, process automation mechanisms and will increase productivity
- Optimisation of routines to enhance utilization and efficiency
- Control Tower for Monitoring Operations, Security and Compliance
- Expanding Horizons into US clients for operations in India

Looking forward, I firmly believe that the Company is well-positioned, both financially and operationally, for growth. Through a relentless focus on efficiencies and ongoing engagement with our customers we have created a profitable base for the business to build on.

Our dedicated and talented pool of people have a clear sense of customer demand, which are aligned to the overall macro-economic trends. Our team comprises employees from diverse background leading to the highest standards of customer services.

The Company endeavours to bring social value to the people and communities that it serves through the mobilization of corporate resources and volunteer support. It focuses to spend on education, environment, preventive healthcare through various projects floated by the Foundation for CSR @ Redington.

On this note, I would like to convey my gratitude to all our employees for their remarkable contribution to the Company's success. I thank our business partners, bankers, clients for their co-operation and trust in us and look forward to their continued support in the years to come. Going ahead, we will continue to maintain the momentum and ensure consistent value creation for all our stakeholders.

Warm regards,

Kasturi Rangan E.H

CEO's Message

I would like to acknowledge all our stakeholders – customers, employees, partners, business associates and society at large, for their consistent faith in us.

Dear Shareholders,

During the year under review, we have continued to remain completely focussed towards providing seamless services and solutions to the customer. This has helped us in multiplying the momentum with growth and profitability.

I am pleased to present our Annual Report for the year ended 31st March 2019. The results are strong and promising. We have witnessed a net revenue increase of 26% in the financial year 2018-19. This growth has been primarily achieved through positive economic sentiments in the country, strategic acquisition, thrust on automation and technology, internal efforts and customer-centric approach.

The Logistics sector is expanding as there is an extensive support from ministry which will propel the growth in this sector. The Indian economy growth was at 6.8% which was marginally higher than 6.7% as compared to the previous fiscal (Source: The Economic Times). The reasons for the same were cooling activity in the manufacturing sector and to a lesser extent, agriculture. However, the Government continuing with its second term is expected to result in a more stable and growth-centric economy in the future. In addition, monetary and regulatory easing from the RBI, along with a recovery in portfolio inflows, will support recovery in credit to the private sector. I am optimistic about Indian economy's growth, infrastructure investment and increased logistics demand, which will prove to be favourable for our Company.

We have concentrated our efforts on bringing in more efficiencies through cross-selling, investment in human capital, process improvements, cost optimisation and technology enhancements to ensure that we will remain competitive in a volatile and uncertain global environment.

Consolidated level performance

During the financial year 2018-19, the Company's revenue increased by 26% from ₹ 320.64 Crore in the previous year to ₹ 403.46 Crore in the current year. It has witnessed a CAGR of 44% since 2013-14. This was mainly on account of operational efficiency, improvement in value added services, optimum use of the automation and technologies, addition of new clientele supported by the increased volume from customers. The net profits increased by 12.3% from ₹ 27.33 Crore in 2017-18 to ₹ 30.70 Crore in 2018-19.

We have worked towards productivity improvement, effective space utilization, customer responsiveness, process adherence as per the ISO standards, technology enhancement through digitalisation and automation. All this has led to a very good growth in revenue for the Company.

Strategic Priorities:

Continuing with prowess, we will focus on delivering value to our clients by helping them strengthen their logistics value-chain. Further, that will enhance our profitability and increase ROCE across businesses. Thus, ultimately leading to maximisation of value and return for all the stakeholders.

Going ahead, we will emphasis upon:

- Increasing the operating efficiency in each department & in each BU
- Transportation aggregation through technology
- Development of skills through training and qualification for all employees regardless of age and position
- Acquire skills, move to new verticals and geographies through inorganic growth
- Use technology across clients, departments, service providers etc
- Sustainability as part of biz strategy in the wake of huge data availability across industries on the subject, using them for our business strategy
- Moving the company to a completely digital environment wherein data is differentiator, information is oil and analysis is the internal combustion engine

I hereby express my heartfelt gratitude towards all of you for the immense support and continued confidence towards the Management of the Company. I would like to acknowledge all our stakeholders – customers, employees, partners, business associates and society at large, for their consistent faith in us. We seek the co-operation of all the stakeholders to make the journey even more exciting and rewarding, going forward.

With warm regards,

Dr. R Arunachalam

"Be the change you want to see in the world"

– Mahatma Gandhi

Leveraging Inorganic Growth Opportunities Multiplying Business Efficiency

ProConnect has embraced growth in multiple ways this year. It has witnessed inorganic growth by way of successful acquisition. During the year, the Company acquired 90% stake in Auroma Logistics Pvt. Ltd (ALPL), a successful endeavour to expand its logistics services. ALPL offers 3PL operations along with warehouse management with specific focus on the consumer durables segment. It offers logistics and warehousing services and provides different value-added services to its customers.

The investment in ALPL will not only enable ProConnect to expand its Supply Chain business but also the synergy to provide customers with best-in-class services.

Acquired **90%** stake in ALPL

Benefits from the acquisition of Auroma Logistics:

- New clientele
- Comprehensive supply-chain solutions
- Optimisation of operational cost post-integration of ALPL's warehouses & transportation

Multiplying Momentum through Technology Enabled Logistics

We deliver the best-of-breed business solutions, by leveraging technology. The capacity to consistently innovate, change and transform is the only way to remain relevant and achieve sustainable success.

We focus on using best-in-class technology to enhance our customers' experience. We leverage technical innovations to increase our productivity and scale to new horizons as a company.

We are in the process of bringing our entire aspect of logistics services from product to information to finance technology and automation process enabled. This will help us to maximise the ultimate objective to serve customers' supply chain requirements in a better way. Further, it also enables us to operate efficiently in a cost-effective manner.

We will continue to embrace automation, upgrade technology and software automation platforms like TMS, WMS, integration of customers account with the ERP of the Company to boost productivity of our clients' core processes/business. We will continue to leverage these, along with lean processes, agile development to deliver seamless solutions to our clients. On the other hand, we will try to optimise the cost structure to remain competitive.

The seamless technological solutions have resulted in improved turnaround times, driving down the costs. Also, we are set to leverage technologies like NethraPro – for tracking goods on real time, CCTV surveillance, GPS enabled vehicles, Electronic Data Interchange (EDI) interface with clients, ERP to offer seamless services to our clients. Further, focus on improving the cost efficiency, adding premium customers will aid the Company in achieving higher double-digit growth.

Benefits from ERP implementation:

- Timely visibility of Key Performance Indicators enabling timely intervention, decision making and course correction
- Enhance productivity and operational efficiencies
- Improved Service Levels and TAT
- Ensure Revenue Assurance
- Improved Cycle Times - Service to Billing to Collection/Payments
- Improved Customer Experience and Satisfaction

Leveraging Strengths Multiplying Future Business Preparedness

We remain focussed on organic growth to drive sustainable value creation. Buoyed by organic growth and the benefits of investments in smart automation technology, the Company performed well during the year.

We remain focused on improving efficiencies in the business. While the volumes were in line with our expectations, several management interventions and inputs resulted in better than expected performance.

Going forward, the Company is all set to leverage the business opportunities.

The key growth enablers for organic growth are:

- Effective space utilisation: Monitoring operations, security and compliance through the control tower
- Customer responsiveness: Regular review with the clients and obtaining their feedback and work on improvement points, if any
- Quality process: Ensuring process adherence through the latest ISO standards
- ERP: Providing transaction visibility to clients and across all the departments

ProConnect Integrated Logistics
a Redington company

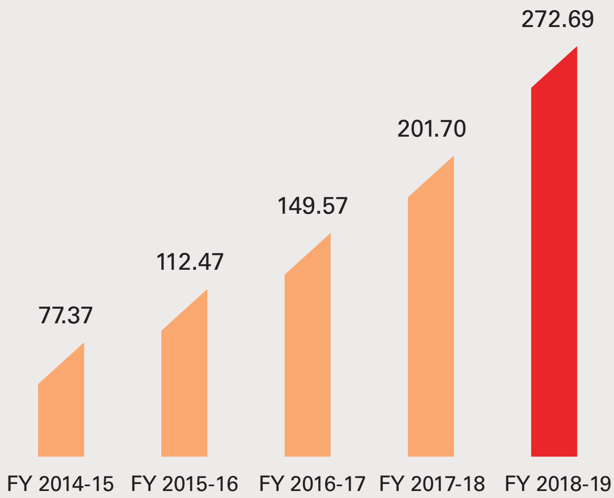
ProConnect in Numbers

A good business performance reflects a balance of both, quality and quantity.

Standalone Financials

Total Revenue

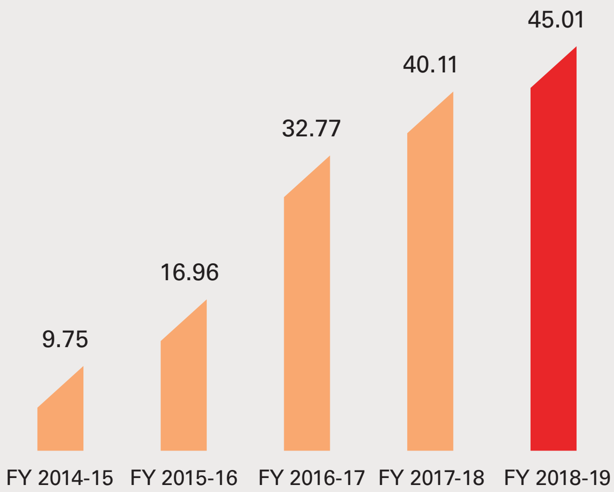
(₹ in Crore)



*CAGR: 33%

EBITDA

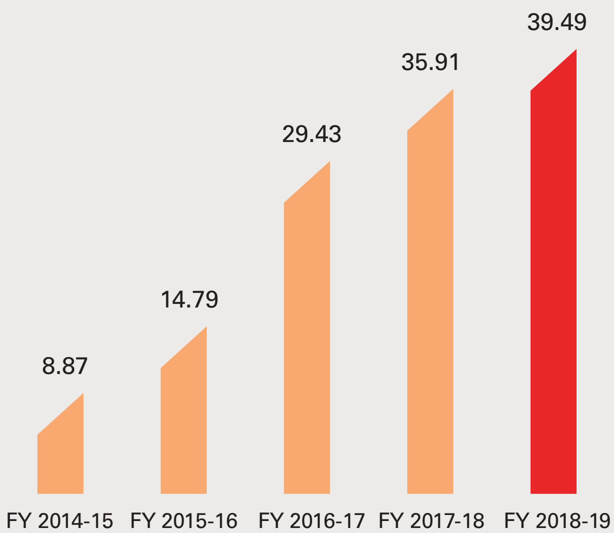
(₹ in Crore)



*CAGR: 44%

EBIT

(₹ in Crore)



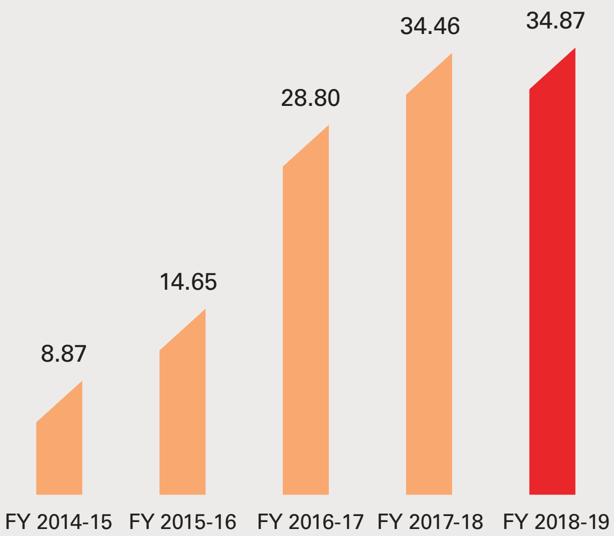
*CAGR: 43%

40% Return on average capital employed for FY 19

*CAGR is considered from 2013-14

PBT

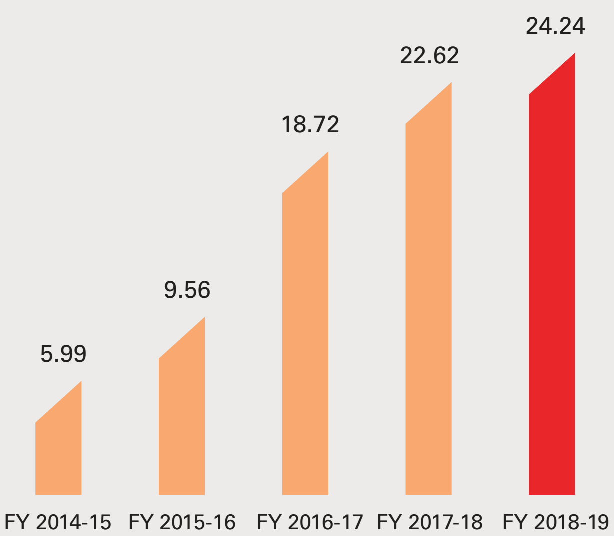
(₹ in Crore)



*CAGR: 40%

PAT

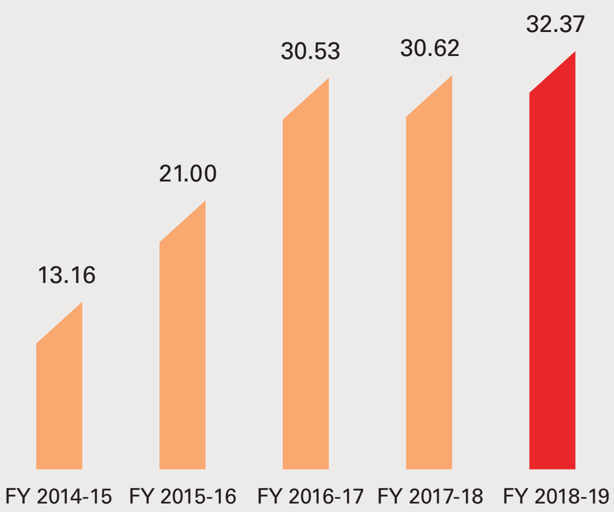
(₹ in Crore)



*CAGR: 40%

EPS

(₹ per share)



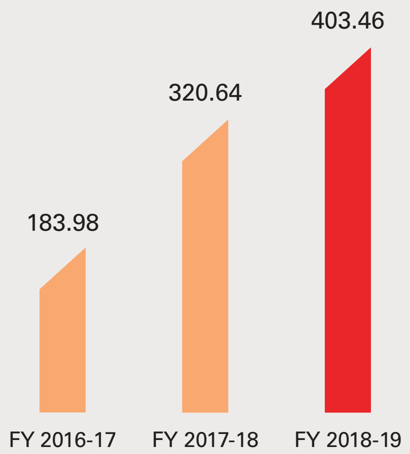
25% Return on average equity FY 19

*CAGR is considered from 2013-14

ProConnect in numbers

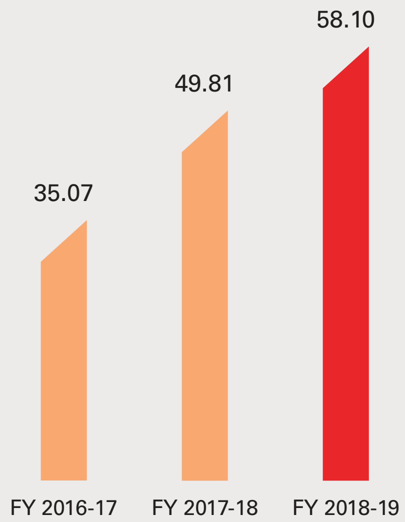
Consolidated Financials

Total Revenue
(₹ in Crore)



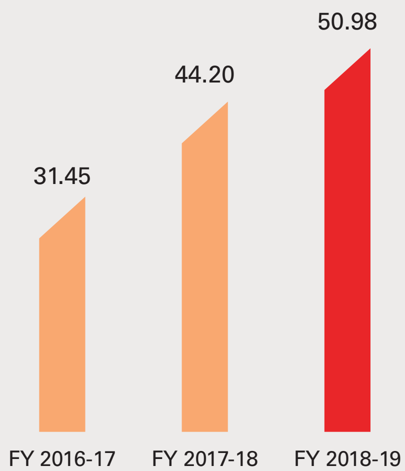
*CAGR: 44%

EBITDA
(₹ in Crore)



*CAGR: 51%

EBIT
(₹ in Crore)



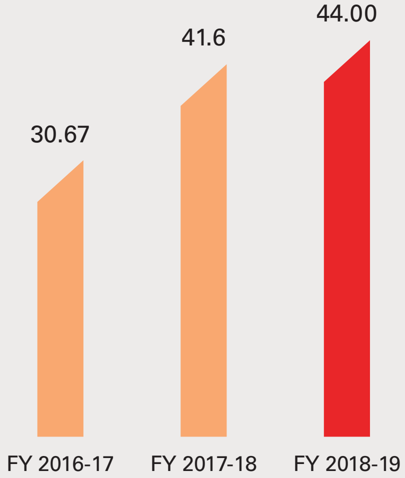
*CAGR: 50%

29.15% Return on average capital employed for FY 19

*CAGR is considered from 2013-14

PBT

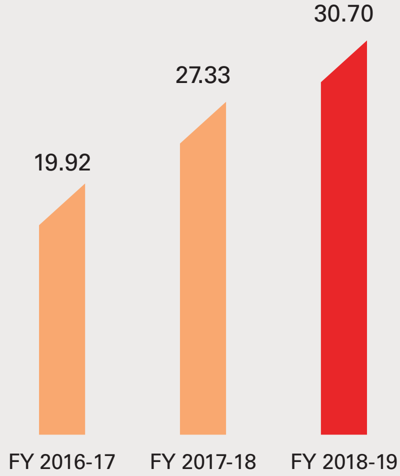
(₹ in Crore)



*CAGR: 46%

PAT

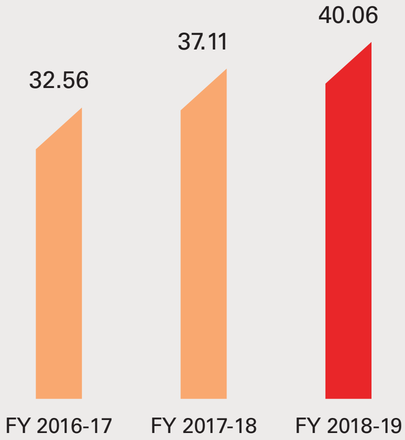
(₹ in Crore)



*CAGR: 47%

EPS

(₹ per share)



28.50% Return on average equity for FY 19

*CAGR is considered from 2013-14

Awards

ProConnect has demonstrated its excellence again this year by winning the following awards

at 12th ELSC Leadership Awards held on 4 October 2018 in Taj Lands End, Mumbai.

Best-in-class After Sales Service Company of the year 2018

Dr. R Arunachalam, CEO has been has been recognised with an award for his contribution as a Speaker in the Event

Best 3PL Company of the year - Hi Tech, Telecom and Electronics

Sustaining Business by Being Socially Responsible

While being dedicated to seamless logistics solutions that serve our customers' needs, we also recognise corporate responsibility essential to our core value. With primary focus on employee engagement, sustainable development and community outreach, CSR has been firmly incorporated into our overall management as we continuously strive for excellence.

The CSR culture was seeded by the Foundation for CSR @ Redington, a trust formed by the parent, Redington. The trust, with complete focus, finds the suitable projects in the area of education, health, environment and rural development.
As we strongly believe in sustainability of the business, in the same manner, we support our CSR activities to be sustainable. As part of CSR initiative, we take care of the local area where the Company operates. These initiatives are taken through several educational institutions, public forums amongst others. This process focuses on not only imparting education, but also to create and add value to the people by making them economically & socially stronger.

Another key focus area for our CSR is preservation of environment. Through our Green Initiatives, we provide awareness on E-waste and its harmfulness and preventive steps that need to be taken that would ensure clean and safe environment. As the Company grows, it will plough back the earnings to the society in which it operates and with the growing organizational set up, we aim to institutionalize the CSR culture amongst the stakeholders of the Company.

At ProConnect, the Management also gets involved in the CSR activity in true spirit. An active role is being played by Dr. N Chandrasekaran, Chairman – CSR Committee & Independent Director who is a part of our CSR initiatives and various programmes that are being conducted across various towns located in Tamil Nadu.

Board of Directors

Mr. Parthasarthi Neogi
Director

Mr. E.H. Kasturi Rangan
Director

Mr. S.V. Krishnan
Director

Mr. Rajesh Neelakanta
Independent Director

Dr. N.Chandrasekaran
Independent Director

Key Management Team

Dr. R. Arunachalam
Chief Executive Officer

Mr. P.S. Kasi Viswanathan
Chief Financial Officer

Mr. T. Manivannan
Executive Vice President

Mr. A. Venkataraman
Executive Vice President

Mr. N. Jayendran
Chief Technology Officer

Corporate Informatiion

Registered Office:
SPL Guindy House,
No. 95, Mount Road,
Guindy, Chennai – 600032

Corporate Office:
Jandus Building, Plot No 33 A,
2nd Floor, South Phase,
Thiru.Vi.Ka. Industrial Estate,
Chennai 600032

Website: www.proconnect.co.in

Directors:
E. H. Kasturi Rangan
S V Krishnan
Parthasarthi Neogi
Rajesh Neelakanta
Dr N Chandrasekaran
Prof. J Ramachandran
(Appointed with effect from 20 May 2019)

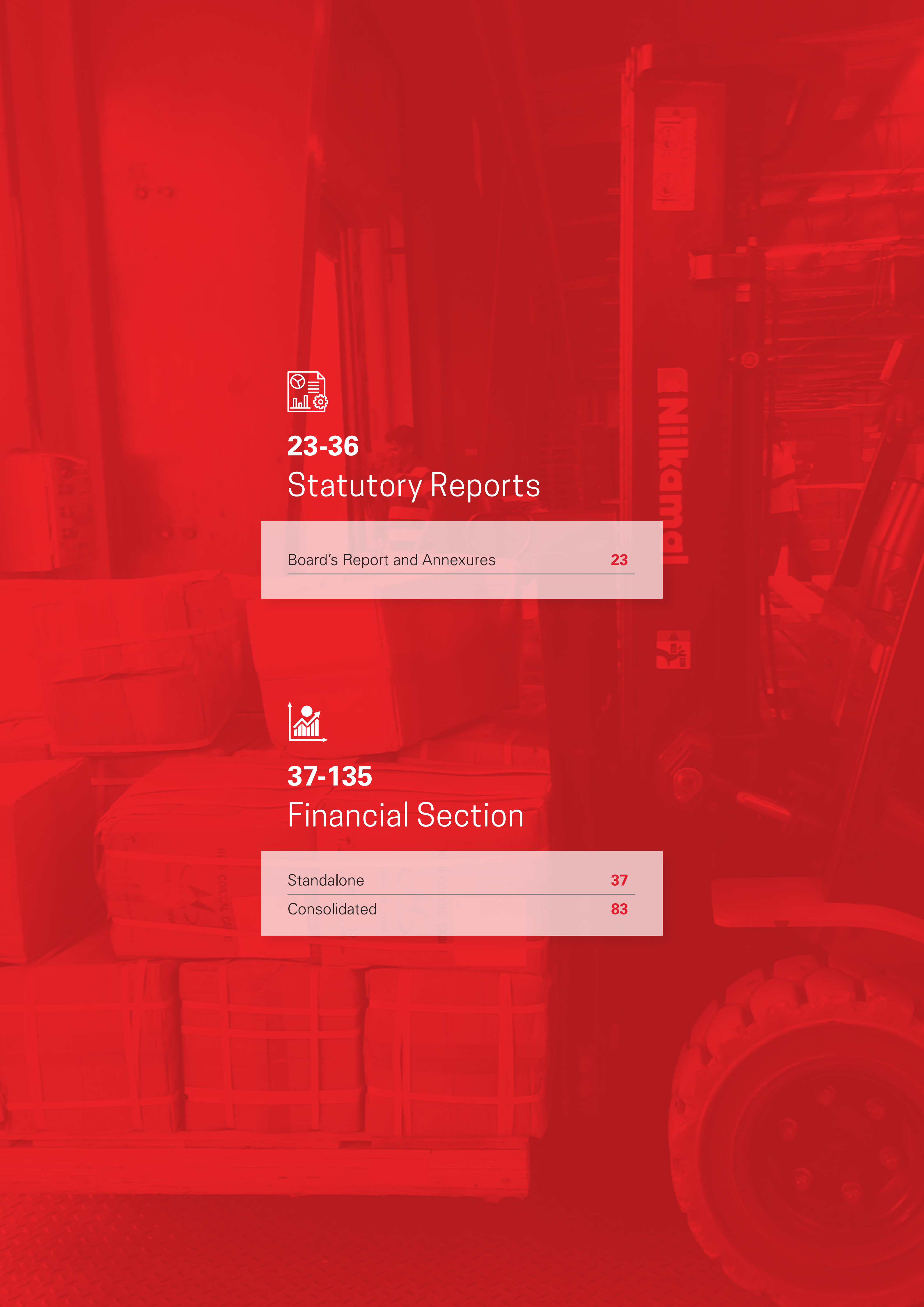
Chief Executive Officer
Dr R Arunachalam

Chief Financial Officer
P S Kasi Viswanathan

Company Secretary
Vignesh Kumar S M

Statutory Auditors
B S R & CO. LLP

Bankers
HDFC Bank Limited
Kotak Mahindra Bank Limited
State Bank of India
IDFC First Bank Limited



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Statutory Reports

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Financial Section

BOARD'S REPORT

To the Members,

Your Directors take pleasure in presenting the 7th Annual Report together with the Audited Financial Statements of the Company for the Financial Year ended on 31 March 2019.

FINANCIAL HIGHLIGHTS

(Figures in ₹ / Crores)

Particulars	2018-19	2017-18	2018-19	2017-18
	Standalone		Consolidated	
Revenue from operations	266.80	197.72	397.40	317.88
Add: Other Income	5.89	3.98	6.06	2.76
Total Revenue	**272.69**	**201.70**	**403.46**	**320.64**
Less: Expenses:				
Purchase of spares	0.07	0.87	0.07	0.87
Employee Benefits	28.43	22.07	34.02	26.61
Other Expenses	199.18	138.65	311.27	243.35
Finance costs	4.62	1.45	6.98	2.60
Depreciation & Amortization	5.52	4.20	7.12	5.61
Profit before Tax	**34.87**	**34.46**	**44.00**	**41.60**
Less: Income Tax Expense	10.62	11.84	13.30	14.27
Profit after Tax	**24.25**	**22.62**	**30.70**	**27.33**

The Standalone and Consolidated financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, as amended from time to time, notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

Operational Performance & Future Outlook

Consolidated level performance - During the financial year under review your Company's revenue increased by 26% as compared to previous year with a CAGR of 44% since 2013-14. Profit after tax during the year increased by 12.30%. This is mainly on account of operational efficiency, improvement in value added services, optimum use of the automation and technologies, addition of new clientele supported by the increased volume from top customers.

Your Company aims at improving cost efficiency, adding premium customers, upgrading technology by implementing TMS, WMS, integration of customers account with the ERP of the Company. This would entail the company to achieve higher double-digit growth.

Subsidiary Companies

During the year ended 31 March 2019, Rajprotim Supply Chain Solutions Limited (RCS), Subsidiary Company has reported a revenue de-growth of 2.24%. Inspite of the revenue de-growth, RCS continues to be profitable investment with a growth in PAT by 14.13% as against previous financial year.

During the year ended 31 March 2019, the Company has acquired M/s Auroma Logistics Private Limited, a Company which is into the Business of 3PL Business predominantly servicing consumer durable segments. The revenue of Auroma to the tune of ₹14.63 crores for 24 days (i,e from the date of acquisition to the year ended 31 March 2019) is consolidated in the financial statements of the Company.

DIRECTORS' RESPONSIBILITY STATEMENT

In compliance with Section 134(5) of the Companies Act, 2013, the Directors of the Company, state that:

a) in the preparation of the annual accounts for the year ended 31 March 2019, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;

b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31 March 2019 and of the profit of the Company for the year ended on that date;

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

d) The Directors have prepared the annual accounts on a 'going concern' basis;

e) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

DIVIDEND

The Company is planning to plough back its retained earnings into various investment opportunities and hence your Company is not declaring dividend for financial year ended 31 March 2019.

BOARD'S REPORT (Contd.)

DISCLOSURES

Information on Conservation of Energy and Technology Absorption

A. Conservation of Energy:

The operations of your Company involve low energy consumption. Warehouse are designed to absorb natural light in maximum possible areas. This enables savings in electricity consumption.

B. Technology Absorption:

i. Your Company continues to use the latest technologies for improving the quality of service. The Company has not imported any technology during the year.

ii. Since your Company is not involved in manufacturing activities, it did not incur any expenditure on Research and Development.

Foreign exchange earnings and Outgo

The foreign exchange earned in terms of actual inflows during the financial year 2018-19 are as follows:

Particulars	₹ In crores
Earnings (inflow)	34.52
Expenditure (outflow)	0.06

Board Meeting

During the financial year 2018-19, Four Board Meetings were held on 17 May 2018, 26 July 2018, 26 October 2018, 8 February 2019

Attendance records of Board meeting

Name	No. of Meeting attended
Mr. Kasturi Rangan E H	4
Mr. S V Krishnan	4
Mr. Parthasarthi Neogi	4
Mr. Rajesh Neelakanta	4
Dr. N Chandrasekaran	4

Committee Meetings

During FY 19, the Audit Committee met four times on 17 May 2018, 26 July 2018, 26 October 2018 and 8 February 2019

The Nomination and remuneration Committee met two times on 17 May 2019, 26 July 2019.

The Corporate Social Responsibility Committee met once on 17 May 2019.

a. Composition and Attendance Records of Audit Committee are as follows

Name	Category	Position	No. of meetings	
			Held	Attended
Mr. S V Krishnan	Non-executive Director	Chairman	4	4
Mr.Rajesh Neelakanta	Independent Director	Member	4	4
Dr. N Chandrasekaran	Independent Director	Member	4	4

b. Composition and Attendance Records of Nomination and Remuneration Committee are as follows

Name	Category	Position	No. of meetings	
			Held	Attended
Mr. Rajesh Neelakanta	Independent Director	Chairman	2	2
Dr. N Chandrasekaran	Independent Director	Member	2	2
Mr. E H Kasturi Rangan	Non-executive Director	Member	2	2

c. Composition and Attendance Records of Corporate Social Responsibility Committee are as follows

Name	Category	Position	No. of meetings	
			Held	Attended
Dr. N Chandrasekaran	Independent Director	Chairman	1	1
Mr. Parthasarthi Neogi	Non-executive Director	Member	1	1
Mr. S V Krishnan	Non-executive Director	Member	1	1

Declaration of independence:

Mr. Rajesh Neelakanta (DIN: 07168497) and Dr. N Chandrasekaran (DIN: 01774322), Independent Directors have given their declaration in terms of Section 149(6) of the Companies Act 2013.

BOARD'S REPORT

Directors and Key Managerial Personnel

There were no appointment/resignation of Directors and Key managerial personnel's during the year.

The members of the Company at its sixth Annual General Meeting held on 30 July 2018 approved appointment of Mr. Rajesh Neelakanta (DIN: 07168497) and Dr. N Chandrasekaran (DIN: 01774322) as Independent Directors for a second consecutive term upto 30 May 2021.

The Board of Directors at their meeting held on 22 May 2019 approved the appointment of Mr. E H Kasturi Rangan (DIN: 01814089) as Managing Director of the Company for a period of five years w.e.f 23 May 2019 subject to approval of the members. The Board of Directors at their meeting held on 20 May 2019 approved the appointment of Prof. J Ramachandran (DIN: 00004593) as Independent Director for a period of five years w.e.f 20 May 2019 subject to approval of the members. Necessary disclosures as required under Companies Act 2013, Secretarial standards for their appointment is made available in the Notice of Seventh Annual General Meeting which is circulated to the members of the Company.

In accordance with the Articles of the Company, Mr. S V Krishnan (DIN: 07518349) retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

Policy on appointment and remuneration of Directors

The Board on the recommendation of the Nomination and Remuneration Committee has laid down a policy on appointment of Directors and remuneration for the Directors, Key Managerial Personnel and Other Employees. The same is enclosed as **Annexure C** to this report.

Statutory Auditors

The Company's Statutory Auditors, M/s. BSR & Co. LLP, Chartered Accountants (Firm Registration No. 101248W/ W-100022), issued their report on Standalone and Consolidated financial Statements of the Company and the same is appended here to the report. The Auditors' Reports does not contain any qualification, reservation or adverse remark.

The term of M/s. BSR & Co. LLP (Firm Registration No. 101248W/W-100022), Chartered Accountants is ending by conclusion of Seventh Annual General Meeting. In accordance with the provisions of the Companies Act 2013, the Audit Committee and the Board of Directors at their meeting held on 20 May 2019 approved re-appointment of M/s BSR & Co. LLP, Chartered Accountants (Firm Registration No. 101248W/W-100022) as Statutory Auditors of the Company for a Second term of three years subject to approval of the members.

Corporate Social Responsibility

The Corporate Social Responsibility (CSR) Committee has formulated and recommended to the Board a policy on CSR indicating the activities to be undertaken by the Company. A report on Corporate social responsibility is given under **Annexure D** to this report.

Internal Financial Controls

The reliability of the financial reporting and preparation of financial statements is based on the effectiveness of internal financial controls of the Company. it includes control environment, risk assessment, control activities, information system and communication, monitoring activities and reporting. The Board of Directors believe that the Company has adequate internal controls for safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information.

Risk Management Policy

The Board of Directors with assistance of executive management of the company implemented a risk management policy to identify, assess, manage and monitor the risks associated with the company. The Board of Directors are of opinion that there are no risks which may threaten the existence of the Company.

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

Your Company has not received any complaints pertaining to The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, during the year under review.

Extracts of Annual Return

Extracts of Annual Return of the Company in Form MGT-9 is annexed herewith as **Annexure E** to this Report.

Loans, guarantees or investments:

Particulars of loans granted are given under note 23 and particulars of investments made are given under note 17, to the standalone financial statements. The Company has not given any guarantee or securities.

Others

- There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.
- During the financial year ended 31 March 2019, the Company has acquired 90% stake in M/s Auroma Logistics Private Limited. There were no companies

BOARD'S REPORT (Contd.)

which have ceased to be Subsidiaries, joint ventures or associate companies during the financial year 2018-19

- During the financial year 2018-19, there is no change in nature of business.
- The Company has not received any deposits as defined under Companies Act, 2013 during the Financial Year 2018-19.
- None of the transactions with related parties falls under the scope of Section 188(1) of the Act. Information on transactions with related party transactions pursuant to section 134(3) (h) of the Act read with rule 8(2) of the Companies (Accounts) Rules, 2014 are given in **Annexure B** in form AOC-2.
- There are no material changes and commitments affecting the financial position of the company which have occurred between 31 March 2019 and the date of this report.
- Your Company has not transferred its profits to reserves before declaring dividend.
- There are no frauds reported by the Statutory Auditors.
- The Company has complied with applicable secretarial standards.

Acknowledgment

Your Directors take this opportunity to express their sincere appreciation for the co-operation and assistance received from the Bankers, Regulatory Bodies and other Business Associates who have extended their valuable support and encouragement during the period under review. Your Directors also wish to thank the employees of the company for their valuable contribution during the year and look forward to their continued support for the growth and success of the organization in the years ahead.

For and on behalf of the Board of Directors,

E.H. Kasturi Rangan
Chairman
DIN: 01814089

Place: Chennai
Date: 22 May 2019

Index of annexures

A. Form AOC-1

B. Form AOC-2

C. Policy on appointment of Directors & Policy on remuneration to Directors, Key managerial personnel's and other employees

D. Report on Corporate Social Responsibility

E. Extract of Annual Return of the Company in Form MGT-9

ANNEXURE A

FORM - AOC1

Salient Features of Financial Statements of Subsidiaries/Associates as per Companies Act, 2013 as on 31 March 2019

Part (A) Subsidiaries (₹ In Lakhs)

Sl. No	Company name	Date of Acquisition	Reporting Period	Reporting Currency	Exchange Rate	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit before taxation	Provision for taxation	Profit after tax	Proposed dividend	% Ownership Interest %	Beneficial Interest %
1	Rajprotim Supply Chain Solutions Limited	25 July 2016	31 March 2019	INR	1.0000	1,116.66	1,129.90	8,408.02	5,276.72	-	11,627.47	756.99	(220.05)	536.94	-	88%	88%
2	*Auroma Logistics Private Limited	7 March 2019	31 March 2019	INR	1.0000	1.00	1,981.73	3,088.39	1,010.27	-	7,207.34	520.49	(153.52)	366.97	-	90%	90%

* From 1 April 2018 - 31 March 2019

E H Kasturi Rangan
Director
(DIN-01814089)

S V Krishnan
Director
DIN:07518349

Place : Chennai
Date : 22 May 2019

PS Kasi Viswanathan
Chief Financial Officer

Dr. R Arunachalam
Chief Executive Officer

Vignesh Kumar S M
Company Secretary

ANNEXURE B

FORM NO. AOC.2

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

1. Details of contracts or arrangements or transactions not at arm's length basis
   (a) Name(s) of the related party and nature of relationship: Not Applicable
   (b) Nature of contracts/arrangements/transactions: Not Applicable
   (c) Duration of the contracts/arrangements/transactions: Not Applicable
   (d) Salient terms of the contracts or arrangements or transactions including the value, if any: Not Applicable
   (e) Justification for entering into such contracts or arrangements or transactions: Not Applicable
   (f) Date(s) of approval by the Board: Not Applicable
   (g) Amount paid as advances, if any: Not Applicable
   (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188: Not Applicable
2. Details of material contracts or arrangement or transactions at arm's length basis
   (a) Name(s) of the related party and nature of relationship: Not Applicable
   (b) Nature of contracts/arrangements/transactions: Not Applicable
   (c) Duration of the contracts/arrangements/transactions: Not Applicable
   (d) Salient terms of the contracts or arrangements or transactions including the value, if any: Not Applicable
   (e) Date(s) of approval by the Board, if any: Not Applicable
   (f) Amount paid as advances, if any: Not Applicable

For and On behalf of the Board of Directors

E.H. Kasturi Rangan
Director
(DIN:01814089)

Place: Chennai
Date: 22 May 2019

ANNEXURE C

PART A : POLICY ON APPOINTMENT OF DIRECTORS

For the Board of a Company to be effective and efficient, it should comprise of individuals who have professional qualifications and proven experience in their respective fields of specialization.

The Nomination and Remuneration committee evaluates the Directors and recommends the Board for their appointment / reappointment and ensures optimum composition of Board. While recommending appointment of an Individual as a Director on the Board, the committee has to review the following factors including the others:

- Qualification and positive attributes
- Independence of Directors (in the case of Independent Directors)

Qualification and positive attributes

The committee may also assess whether they meet qualification criteria and the positive attributes set below:

- Financially literate, which means he/she possess the ability to read and understand basic financial statements i.e. balance sheet, statement of profit and loss, and statement of cash flows.
- Possess high levels of personal, professional integrity
- Have appropriate knowledge / experience about the industry and the Company, or ability to acquire required knowledge and understanding.
- Able to provide guidance to the Board in matters of business, finance, strategy and corporate governance
- Able to analytically look into the issues placed before the Board and provide strategies to solve them
- Possess better communication skills and ability to work harmoniously with fellow directors and management;
- Willingness to devote the required time, including being available to attend Board and Committee meetings

Independence of Directors (only in the case of Independent Directors)

Any relationship between the company and directors other than in the normal course will affect the Independence of directors in many ways. The Committee shall assure that the candidate proposed for the position of Independent Director meets the minimum criteria for Independence set out under Section 149 of the Companies Act, 2013. It shall also assess if the candidate would be able to meet the standards mentioned in the code for Independent Directors under the Companies Act, 2013.

PART B: POLICY ON REMUNERATION TO BOARD OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES

Introduction

With the view to ensure that the Company attracts, motivates and retains qualified industry professionals for the Board and Management in order to achieve its strategic goals this policy is designed to encourage behaviour that is focused on long-term value creation, while adopting the highest standards of good corporate governance. The remuneration policy of the Company is aimed at rewarding performance, based on review of achievements on a regular basis and is in consonance with the existing industry practices.

This policy is now re-framed to ensure that the requirements of Section 178 of the Companies Act, 2013 is met and it intends to define general guidelines for the company's pay to the Board of Directors, Key managerial Personnel and Senior Management and other employees.

Remuneration of Directors

The Board comprises of two categories of Directors viz. Non-Executive Directors and Non-Executive Independent Directors.

The Remuneration to Non-Executive Directors is governed by the provisions of Companies Act, 2013 and the rules framed thereunder and the notifications issued by the Ministry of Corporate Affairs from time to time.

Non Executive Directors

The Non-Executive directors including Independent Directors may be paid commission up to three percent of the profits as may be decided by the Nomination and Remuneration committee and the Board of Directors. This profit is to be shared amongst the Non-Executive Directors.

Non-Executive Independent Directors are eligible for fixed amount of sitting fees for attending meeting of the Board of Directors and its committees as allowed under the Companies Act 2013.

Reimbursement of expenses

All expenses incurred by the Board of Directors for attending the meetings and events of the Company are reimbursed at actuals.

Remuneration to Key Managerial Personnel and Senior Management Personnel

It is to be ensured that Key Managerial Personnel (KMP) and Senior Management Personnel are paid as per the

ANNEXURE C (Contd.)

trend prevalent in the similar industry, nature and size of business. The level and components of remuneration is reasonable and sufficient to attract and retain the KMPs and Senior Management.

The remuneration for Key Managerial Personnel and Senior Management comprises of two broad components i.e Fixed and Variable.

The fixed component is paid on a monthly basis and the variable component is paid on the degree of their achieving "Key Result Areas". Executive Directors on yearly basis, on discussion with the KMP and senior management personnel, frame the Key Result Area (KRA). The KRA is fixed with an aim to achieve the overall objectives of the company.

Remuneration to other employees

To have a strong bondage with the company and long-time association of the employees, the management while fixing remuneration to the employee ensures that it:

- Appropriately compensate employees for the services they provide to the Company;
- Attract and retain employees with skills required to effectively manage the operations and growth of the business;
- Motivate employees to perform in the best interests of the Company and its stakeholders

In consonance with this well formulated principle, the compensation of employees has been linked to performance. However for compensation above certain limits have variable component in the salary structure and are linked to Key Result Area (KRA) fixed to the employees.

ANNEXURE D

REPORT ON CORPORATE SOCIAL RESPONSIBILITY FOR THE FINANCIAL YEAR 2018-19

1. **Company's Policy on CSR- An overview**

   ProConnect's contribution towards CSR is spiraling as the profitability grows. Currently, the CSR activities are carried through foundation for CSR @ Redington, a trust formed by Redington (India) Limited, Holding Company.

   The Company has Corporate Social Responsibility policy which covers the area in which the Company can spend the CSR contribution. The members may view the policy in below link https://proconnect.co.in/wp-content/uploads/2017/05/CSR_Policy-_New.pdf

   The Policy shall apply to all CSR projects/programmes undertaken by the Company in India as per Schedule VII of the Act.

   The Policy covers following areas for spending towards CSR

   - Education
   - Health
   - Environment
   - Rural development projects

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

2. **Composition of the CSR Committee of the Board**

   - Dr. N Chandrasekaran - Chairman
   - Mr. S V Krishnan - Member
   - Mr. Parthasarthi Neogi - Member

3. **Average Net Profit of the Company for last three financial years**- ₹2598.81 Lakhs

4. **Prescribed CSR expenditure for the year 2018-19 (2% of the amount as in item 3 above)** - ₹51.98 Lakhs.

5. **Details of CSR Spent during the Financial Year.**

a)	Total amount to be spent in the Financial Year*	₹52.00 Lakh
b)	Total amount spent in the financial year*	₹52.00 Lakh
c)	Amount unspent	Nil

* Being the amount transferred during the year to foundation for CSR @ Redington, a trust registered under Income Tax Act, 1961

d) Manner in which the amount spent during the Financial Year:

In Lakhs

Sr. No	CSR Projects or activity identified	Sector in which projects is covered	Projects or programme (Local area or other Specify state and district where projects or programs were undertaken	Amount outlay (Budget) projects or programme wise	Amount spent on the projects or programs – sub heads	Cumulative expenditure upto reporting period	Amount spent (Direct or through trust route)
1	Recuperating educational institution	Education	Various places across Tamil Nadu	5.00	5.00	5.00	Through Foundation for CSR @ Redington
2	Financial support to underprivileged	Education		4.00	4.00	4.00	
3	Vocational Training	Education		40.40	40.40	40.40	
4	Community development with the focus on Employability	Education		-	-	30.00	
5	Environmental development with the focus on efficient disposal of E waste	Environment		-	-	5.86	
6	Administrative expenditure			2.60	2.60	-	
Total				**52.00**	**52.00**	**87.86**	

6. **Reasons for non-spending of the CSR amount: Not Applicable**

Dr. N Chandrasekaran
Chairman- CSR Committee

Parthasarthi Neogi
Member- CSR Committee

Date: 22 May 2019
Place: Chennai

ANNEXURE E

FORM NO. MGT-9

Extract of Annual Return as on the financial year ended on 31 March 2019

[Pursuant to section 92(3) *of the Companies Act, 2013* and rule 12(1) of the Companies (Management and Administration) Rules, 2014

I. REGISTRATION AND OTHER DETAILS:

S. No	Particulars	Inference/Remarks
1	CIN	U63030TN2012PLC087458
2	Registration Date	31/08/2012
3	Name of the Company	ProConnect Supply Chain Solutions Limited
4	Category	Public Limited Company
5	Address of Registered office and contact details	SPL Guindy House, 95, Mount Road, Chennai – 600 032 Phone: 044-30649100
6	Whether listed Company	No
7	Name, Address and Contact details of Registrar and Transfer Agent	Not Applicable

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

Sl. No	Name and Description of Main Services	NIC Code of the Service	% of turnover
1	Warehousing & Storage	521	77.20
2	Transportation	522	22.80

III. PARTICULARS OF HOLDING, SUBSIDIARY ~~AND ASSOCIATE COMPANIES~~

Holding Company

S. No	Name of the Company	Address of the Company	CIN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Redington (India) Limited	SPL Guindy House, 95, Mount Road, Chennai, Tamil Nadu- 600032	L52599TN1961PLC028758	Holding	100%	Sec. 2(46)

Subsidiary Companies

S. No	Name of the Company	Address of the Company	CIN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Rajprotim Supply Chain Solutions Limited	49/89 Prince Golam Mohammed Shah Road Golf Garden Kolkata West Bengal 700033	U63090WB2016PLC216763	Subsidiary	88%	Sec. 2(87)
2	Auroma Logistics Private Limited	72A, Ballygunj Place South Point School, Kolkata West Bengal 700019	U74999WB2009PTC153684	Subsidiary	90%	Sec. 2(87)

ANNEXURE E (Contd.)

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

i) Category-wise Share Holding

Sr. no.	Category of shareholder	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares	
(A)	**Promoter and Promoter Group**									
(1)	**Indian**									
(a)	Individuals/Hindu Undivided Family	-	6	6	0.00	-	6	6	0.00	0.00
(b)	Central Government	-	-	-	-	-	-	-	-	-
(c)	State Government(s)	-	-	-	-	-	-	-	-	-
(d)	Bodies Corporate	-	72,43,224	72,43,224	100.00	90,81,459	-	90,81,459	100.00	0.00
(e)	Financial Institutions/ Banks	-	-	-	-	-	-	-	-	-
(f)	Any Other (Total)	-	-	-	-	-	-	-	-	-
	Sub-Total (A)(1)	**-**	**72,43,230**	**72,43,230**	**100.00**	**90,81,459**	**6**	**90,81,465**	**100.00**	**0.00**
(2)	Foreign									
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)	-	-	-	-	-	-	-	-	-
(b)	Bodies Corporate	-	-	-	-	-	-	-	-	-
(c)	Institutions	-	-	-	-	-	-	-	-	-
(d)	Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
(e)	Any Other (Total)	-	-	-	-	-	-	-	-	-
	Sub-Total (A)(2)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)		-	**72,43,230**	**72,43,230**	**100.00**	**90,81,459**	**6**	**90,81,465**	**100.00**	**0.00**
(B)	**Public shareholding**									
(1)	Institutions									
(a)	Mutual Funds/UTI	-	-	-	-	-	-	-	-	-
(b)	Financial Institutions/ Banks	-	-	-	-	-	-	-	-	-
(c)	Central Government	-	-	-	-	-	-	-	-	-
(d)	State Government(s)	-	-	-	-	-	-	-	-	-
(e)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
(f)	Insurance Companies	-	-	-	-	-	-	-	-	-
(g)	Foreign Institutional Investors	-	-	-	-	-	-	-	-	-
(h)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
(i)	Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
(j)	Any Other (Total)		-	-	-	-	-	-	-	-
(j1)	Foreign Portfolio Investor (Corporate) Category I	-	-	-	-	-	-	-	-	-
(j2)	Foreign Portfolio Investor (Corporate) Category II	-	-	-	-	-	-	-	-	-
(j3)	Foreign Portfolio Investor (Corporate) Category III	-	-	-	-	-	-	-	-	-
	Sub-Total (B)(1)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

ANNEXURE E (Contd.)

Sr. no.	Category of shareholder	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares	
(2)	**Non-institutions**									
(a)	Bodies Corporate	-	-	-	-	-	-	-	-	-
(b)	Individuals - i. Individual Shareholders Holding Nominal Share Capital Up To >Rs. 1 Lakh.	-	-	-	-	-	-	-	-	-
	Individuals - ii. Individual Shareholders Holding Nominal Share Capital In Excess Of Rs. 1 Lakh	-	-	-	-	-	-	-	-	-
(c)	Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
(d)	Any Other (Total)	-	-	-	-	-	-	-	-	-
(d1)	Clearing Members	-	-	-	-	-	-	-	-	-
(d2)	Directors and their relatives	-	-	-	-	-	-	-	-	-
(d3)	FOREIGN CORPORATE BODIES	-	-	-	-	-	-	-	-	-
(d4)	FOREIGN NATIONALS	-	-	-	-	-	-	-	-	-
(d5)	HINDU UNDIVIDED FAMILIES	-	-	-	-	-	-	-	-	-
(d6)	NON RESIDENT INDIANS	-	-	-	-	-	-	-	-	-
(d7)	Trusts	-	-	-	-	-	-	-	-	-
	Sub-Total (B)(2)	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)= (B)(1)+(B)(2)		-	-	-	-	-	-	-	-	-
TOTAL (A)+(B)		-	**72,43,230**	**72,43,230**	**100.00**	**90,81,459**	**6**	**90,81,465**	**100.00**	**0.00**
(C)	Shares held by Custodians and against which Depository Receipts have been issued	-	-	-	-	-	-	-	-	-
C1	Promoter and Promoter Group	-	-	-	-	-	-	-	-	-
C2	Public	-	-	-	-	-	-	-	-	-
GRAND TOTAL (A)+(B)+(C)		-	**72,43,230**	**72,43,230**	**100.00**	**90,81,459**	**6**	**90,81,465**	**100.00**	**0.00**

ANNEXURE E (Contd.)

(ii) Shareholding of Promoters

Sr. no.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding 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 / encumber red to total shares	
1	Redington (India) Limited	72,43,224	100.00	Nil	90,81,459	100.00	Nil	0.00
2	Mr. P S Jaya Prakash*	1	0.00	Nil	1	0.00	Nil	0.00
3	Mr. S. Srinivasan*	1	0.00	Nil	1	0.00	Nil	0.00
4	Mr. K. Lakshmi Narayanan*	1	0.00	Nil	1	0.00	Nil	0.00
5	Mr. S. Krishna Moorthy*	1	0.00	Nil	1	0.00	Nil	0.00
6	Mr. K.S. Raghu*	1	0.00	Nil	1	0.00	Nil	0.00
7	Mr. S. Jayaraman *	1	0.00	Nil	0	0.00	Nil	0.00
8	Mr. M B Krishnan*	0	0.00	Nil	1	0.00	**Nil**	**0.00**
	Total	**72,43,230**	**100.00**	**Nil**	**90,81,465**	**100.00**	**Nil**	**0.00**

*Beneficial interest in shares is held with Redington (India) Limited, the holding Company.

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. no		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
1	**Redington (India) Limited**	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year (1 April 2018)	72,43,224	100	72,43,224	100
	6 March 2019 - Allotment of Equity shares – Rights issue	18,38,235	-	18,38,235	
	At the End of the year	**90,81,459**	100	**90,81,459**	100

(iv) Shareholding Pattern of top ten Shareholders (Other than Directors, promoters and Holders of GDRs and ADRs): Not Applicable

(v) Shareholding of Directors and Key Managerial Personnel: Nil

ANNEXURE E (Contd.)

(V) INDEBTEDNESS **(₹ in crores)**

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	19.63	-	-	19.63
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**-**	**-**	**-**	**-**
Change in Indebtedness during the financial year				
Additions	163.68	-	-	163.68
Reduction	(122.20)	-	-	(122.20)
Net Change	41.48	-	-	41.48
Indebtedness at the end of the financial year				
i) Principal Amount	**61.11**	-	-	**61.11**
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**61.11**	**-**	**-**	**61.11**

VI. REMUNERATION TO DIRECTOR AND KEY MANAGERIAL PERSONNEL

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

The Company does not have Managing Director, Whole-time Directors and/or Manager.

B. Remuneration to other directors: (₹ In lakhs)

S. No	Particulars of Remuneration	Non Executive Directors			Independent Directors		Total Amount
1	Name of Directors	Mr. E.H. Kasturi Rangan	Mr. S V Krishnan	Mr. Parthasarthi Neogi	Mr. Rajesh Neelakanta	Dr. N Chandrasekaran	
	Fees for attending Board/Committee Meetings	0.70	0.85	0.45	1.90	1.80	5.70
	Commissions	-	-	-	3.00	3.00	6.00
	Others, Please Specify	-		-	-	-	-
	Total	**0.70**	**0.85**	**0.45**	**4.90**	**4.80**	**11.70**

Overall Ceiling as per the Act 104.45

C. **REMUNERATION TO KEY MANAGERIAL PERSONNEL**

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CFO	Company Secretary	Total
	Gross salary **(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961**	**77,95,227**	**42,40,996**	**5,62,018**	**1,25,98,241**
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	**28,800**	**21,600**	**-**	**50,400**
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
	Stock Option	-	-	-	-
	Sweat Equity	-	-	-	-
	Commission **- as % of profit** **- others, specify…**	-	-	-	-
	Stock appreciation rights (in Nos)	90,000	55,000	4,500	1,49,500
	Total	**78,24,027**	**42,62,596**	**5,62,018**	**1,26,48,641**

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL

INDEPENDENT AUDITOR'S REPORT

To the Members of

ProConnect Supply Chain Solutions Limited

REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Opinion

We have audited the standalone financial statements of ProConnect Supply Chain Solutions Limited ("the Company"), which comprise the standalone balance sheet as at 31 March 2019, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2019, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the standalone financial statements and our auditor's report thereon. The Company's annual report is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Management's Responsibility for the Standalone Financial Statements

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud

INDEPENDENT AUDITOR'S REPORT (Contd.)

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on Other Legal and Regulatory Requirements

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

   (A) 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 purposes of our audit.

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

   c) The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.

   d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under section 133 of the Act.

   e) On the basis of the written representations received from the directors as on 31 March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164(2) of the Act.

INDEPENDENT AUDITOR'S REPORT (Contd.)

f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

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

i. The Company does not have any pending litigations which would impact its financial position.

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

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

iv. The disclosures in the standalone financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these standalone financial statements since they do not pertain to the financial year ended 31 March 2019.

(C) With respect to the matter to be included in the Auditor's Report under section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

for **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No. -101248W/W-100022

S Sethuraman
Partner
Membership No. 203491

Place : Chennai
Date : 20 May 2019

Annexure A to the Independent Auditor's Report of even date on the standalone financial statements of ProConnect Supply Chain Solutions Limited

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

(b) The Company has a regular programme of physical verification of its fixed assets by which certain fixed assets are verified every year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. According to the information and explanation given to us, no material discrepancies were noticed on such verification.

(c) The Company does not have any immovable properties. Accordingly, paragraph 3(i)(c) of the order is not applicable.

(ii) The Company does not hold any physical inventories of spare as at 31 March 2019. Thus, paragraph 3(ii) of the order is not applicable to the Company.

(iii) In our opinion and according to the information and explanations given to us, the Company has granted unsecured loans to one company covered in the register maintained under Section 189 of the Companies Act, 2013. The Company has not granted any other secured or unsecured loan to any firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013:

(a) In our opinion, the rate of interest and other terms and conditions on which the loans had been granted to the Company listed in the register maintained under Section 189 of the Act were not, prima facie, prejudicial to the interest of the Company.

(b) In the case of the loan granted to the Company listed in the register maintained under Section 189 of the Act, the borrowers have been, where stipulated, regular in the payment of principal and interest.

(c) There are no overdue amount in respect of the loans granted to the Company listed in the register maintained under Section 189 of the Companies Act, 2013.

(iv) According to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, with respect to the loans, investments, guarantees and security, as applicable.

(v) According to the information and explanations given to us, the Company has not accepted deposits as mentioned in the directives issued by Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed thereunder. Accordingly, paragraph 3(v) of the Order is not applicable.

(vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for sale of goods and the services rendered by the Company. Accordingly, paragraph 3(vi) of the Order is not applicable.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and services tax, duty of customs and any other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities except for remittances of provident fund, employees' state insurance and tax deducted at source where the Company had delays ranging from 1 to 31 days. As explained to us, the Company did not have any dues on account of sales tax, duty of excise, service tax, value added tax and cess.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, goods and service tax, duty of customs and any other material statutory dues were in arrears as at 31 March 2019 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of income tax, sales-tax, service tax, goods and service tax, duty of customs, duty of excise and value added tax which have not been deposited with the appropriate authorities on account of any disputes.

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to its bankers or to any financial institutions. The Company has not taken any loans or borrowings from government and have not issued any debentures.

(ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments). In our opinion and according to the information and explanations given to us, the term loans taken by the Company have been applied for the purpose for which they were raised.

Annexure A to the Independent Auditor's Report of even date on the standalone financial statements of ProConnect Supply Chain Solutions Limited (Contd.)

(x) According to the information and explanations given to us, no fraud by the Company or any material fraud on the Company by its officers or employees has been noticed or reported during the course of our audit.

(xi) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the managerial remuneration for the year ended 31 March 2019 has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013 and the rules framed thereunder.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Companies Act, 2013 where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable.

(xvi) According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

for **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No. -101248W/W-100022

S Sethuraman
Partner
Membership No. 203491

Place : Chennai
Date : 20 May 2019

Annexure B to the Independent Auditor's report on the standalone financial statements of ProConnect Supply Chain Solutions Limited for the year ended 31 March 2019

REPORT ON THE INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE AFORESAID STANDALONE FINANCIAL STATEMENTS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013

(Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to standalone financial statements of ProConnect Supply Chain Solutions Limited ("the Company") as of 31 March 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2019, based on the internal financial controls with reference to financial statements 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 (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. 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 with reference to financial statements were established and maintained and whether 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial controls with Reference to Financial Statements

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

Inherent Limitations of Internal Financial controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including

Annexure B to the Independent Auditor's report on the standalone financial statements of ProConnect Supply Chain Solutions Limited for the year ended 31 March 2019 (Contd.)

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 with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

for **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No. -101248W/W-100022

S Sethuraman
Partner
Membership No. 203491

Place : Chennai
Date : 20 May 2019

BALANCE SHEET as at 31 March 2019

(All amounts are in Indian Rupees in crores, except share data and as stated)

	Note	As at 31 March 2019	As at 31 March 2018
Assets			
Non-current assets			
Property, plant and equipment	15	17.09	10.46
Intangible assets	16	4.95	0.12
Intangible asset under development		-	2.20
Financial assets			
Investments in subsidiaries	17	73.66	15.20
Deposits and other receivables	22	10.42	7.45
Other financial assets	24	4.59	8.59
Deferred tax assets (net)	14	3.17	2.85
Income tax assets (net)		2.48	1.07
Other non-current assets	25	4.41	3.37
Total non-current assets		**120.77**	**51.31**
Current assets			
Inventories	18	-	-
Financial assets			
Trade receivables	19	76.69	55.21
Cash and cash equivalents	20	0.57	0.90
Other bank balances	21	0.59	3.72
Loans	23	21.76	12.00
Deposits and other receivables	22	4.93	2.08
Other financial assets	24	5.07	1.65
Other current assets	25	17.93	2.32
Total current assets		**127.54**	**77.88**
Total assets		**248.31**	**129.19**
Equity and liabilities			
Equity			
Equity share capital	26A	9.08	7.24
Other equity	26B		
Securities premium		35.47	12.31
Retained earnings		74.69	55.68
Capital reserve		3.31	0.67
Others (including items of other comprehensive income)		(0.81)	(0.36)
Total equity		**121.74**	**75.54**
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	28	23.60	4.23
Other financial liabilities	30	6.86	-
Provisions	32	4.21	2.89
Total non-current liabilities		**34.67**	**7.12**
Current liabilities			
Financial liabilities			
Borrowings	28	47.77	20.29
Trade payables	29		
Total outstanding dues to micro enterprises and small enterprises and		-	-
Total outstanding dues to creditors other than micro enterprises and small enterprises		28.54	19.98
Other financial liabilities	30	9.10	0.73
Provisions	32	0.47	0.40
Other current liabilities	31	6.02	5.13
Total current liabilities		**91.90**	**46.53**
Total liabilities		**126.57**	**53.65**
Total equity and liabilities		**248.31**	**129.19**
Significant accounting policies	3		

The notes referred to above form an integral part of financial statements

As per our report of even date
For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No. 101248W/W-100022

S Sethuraman
Partner
Membership No. 203491

Place: Chennai
Date : 20 May 2019

For and on behalf of the board of directors of
ProConnect Supply Chain Solutions Limited
CIN: U63030TN2012PLC087458

Kasturi Rangan E.H
Director
DIN: 01814089

Krishnan S.V
Director
DIN: 07518349

Arunachalam R
Chief Executive Officer

Kasi Viswanathan P.S
Chief Financial Officer

Vignesh Kumar S M
Company Secretary

Place: Chennai
Date : 20 May 2019

PROFIT & LOSS ACCOUNT for year ended 31 March 2019

(All amounts are in Indian Rupees in crores, except share data and as stated)

	Note	**Year ended 31 March 2019**	Year ended 31 March 2018
Revenue			
Revenue from operations	6	266.80	197.72
Other income	7	5.89	3.98
Total income		**272.69**	**201.70**
Expenses			
Changes in inventories of spares	8	-	-
Purchase of spares	9	0.07	0.87
Employee benefits expense	10	28.43	22.07
Finance costs	11	4.62	1.45
Depreciation and amortisation expense	12	5.52	4.20
Other expenses	13	199.18	138.65
Total expenses		**237.82**	**167.24**
Profit before tax		**34.87**	**34.46**
Income tax expense	14		
Current tax		10.76	12.90
Deferred tax		(0.14)	(1.06)
Income tax expense		**10.62**	**11.84**
Profit for the year		**24.25**	**22.62**
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Remeasurements of the defined benefit liability		(0.63)	(0.68)
Income tax relating to the above		0.18	0.24
Net other comprehensive income not to be reclassified subsequently to profit or loss		**(0.45)**	**(0.44)**
Other comprehensive income for the year, net of income tax		**(0.45)**	**(0.44)**
Total comprehensive income for the year		**23.80**	**22.18**
Earnings per share			
Basic and diluted earnings per share (in Indian Rupees)	27	32.27	30.62
Significant accounting policies	3		

The notes referred to above form an integral part of financial statements

As per our report of even date
For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No. 101248W/W-100022

S Sethuraman
Partner
Membership No. 203491

Place: Chennai
Date : 20 May 2019

For and on behalf of the board of directors of
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Chief Executive Officer

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Chief Financial Officer

Vignesh Kumar S M
Company Secretary

Place: Chennai
Date : 20 May 2019

STANDALONE STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2019

(All amounts are in Indian Rupees in crores, except share data and as stated)

Particulars	Amount	No. of shares
(a) Equity share capital		
Equity shares of ₹10 each issued, subscribed and fully paid		
Balance as at 1 April 2017	7.24	7,243,230
Shares issued during the year	-	-
Balance as at 31 March 2018	**7.24**	**7,243,230**
Shares issued during the year	1.84	1,838,235
Balance as at 31 March 2019	**9.08**	**9,081,465**

(b) Other equity

	Reserves and surplus			Others		Total equity
	Securities premium	Retained earnings	Capital reserve	Other equity	Other items of other comprehensive income	
Balance as at 1 April 2017	**12.31**	**37.42**	**-**	**0.38**	**(0.30)**	**49.81**
Profit for the year	-	22.62	-	-	-	22.62
Other comprehensive income for the year	-	-	-	-	(0.44)	(0.44)
Total comprehensive income for the year	**-**	**22.62**	**-**	**-**	**(0.44)**	**22.18**
Transactions with owners recorded directly in equity						
Contributions and distributions from / (to) owners						
Stock compensation cost	-	-	0.67	-	-	0.67
Dividend, including dividend distribution tax	-	(4.36)	-	-	-	(4.36)
Total contributions and distributions from / (to) owners	**-**	**(4.36)**	**0.67**	**-**	**-**	**(3.69)**
Balance as at 31 March 2018	**12.31**	**55.68**	**0.67**	**0.38**	**(0.74)**	**68.30**
Balance as at 1 April 2018	**12.31**	**55.68**	**0.67**	**0.38**	**(0.74)**	**68.30**
Profit for the year	-	24.25	-	-	-	24.25
Other comprehensive income for the year	-	-	-	-	(0.45)	(0.45)
Total comprehensive income	**-**	**24.25**	**-**	**-**	**(0.45)**	**23.80**
Transactions with owners recorded directly in equity						
Contributions and distributions from / (to) owners						
Stock compensation cost	-	-	2.64	-	-	2.64
Securies premium on shares issued during the year	23.16					23.16
Dividend, including dividend distribution tax	-	(5.24)	-	-	-	(5.24)
Total contributions and distributions from / (to) owners	**23.16**	**(5.24)**	**2.64**	**-**	**-**	**20.56**
Balance as at 31 March 2019	**35.47**	**74.69**	**3.31**	**0.38**	**(1.19)**	**112.66**

Significant accounting policies 3

The notes referred to above form an integral part of financial statements

As per our report of even date
For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No. 101248W/W-100022

S Sethuraman
Partner
Membership No. 203491

Place: Chennai
Date : 20 May 2019

For and on behalf of the board of directors of
ProConnect Supply Chain Solutions Limited
CIN: U63030TN2012PLC087458

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Chief Executive Officer

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Chief Financial Officer

Vignesh Kumar S M
Company Secretary

Place: Chennai
Date : 20 May 2019

STANDALONE STATEMENT OF CASH FLOW

for the year ended 31 March 2019

(All amounts are in Indian Rupees in crores, except share data and as stated)

	Year ended 31 March 2019	Year ended 31 March 2018
Cash flow from operating activities		
Profit before taxes	34.87	34.46
Adjustments for:		
Depreciation and amortisation	5.52	4.20
Provision for doubtful debts	0.48	0.03
Loss / (gain) on sale of property, plant and equipment	(0.06)	(0.01)
Finance costs	4.62	1.45
Stock compensation expense	2.64	0.67
Interest income on security deposits at amortised cost	(1.21)	(0.57)
Interest income on cash and cash equivalents and loans	(1.72)	(1.23)
	45.14	**39.00**
Working capital adjustments:		
(Increase) / decrease in inventories	-	-
Increase in trade receivables	(21.96)	(26.67)
(Increase) / decrease in deposits and other receivables	(4.61)	1.26
(Increase) / decrease in other current / non-current financial assets	(2.41)	0.09
Decrease in other current / non current assets	(17.29)	(3.41)
Increase in trade payable and other financial liabilities	9.19	13.08
Increase in provisions and other current liabilities	1.66	2.84
Cash generated from operating activities	**9.72**	**26.19**
Income tax paid (net)	(12.17)	(12.65)
Net cash (used in) / generated from operating activities (A)	**(2.45)**	**13.54**
Cash flow from investing activities		
Interest received	1.11	1.23
Proceeds from sale of property, plant and equipment	0.06	0.03
Acquisition of property, plant and equipment	(6.95)	(8.66)
Loans given	(9.76)	(2.00)
Advance paid for acquisition of shares in subsidiary	-	(0.48)
Investments in bank deposits with original maturity of more than 3 months	3.13	(0.72)
Investment in subsidiaries	(41.34)	(5.32)
Net cash used in investing activities (B)	**(53.75)**	**(15.92)**
Cash flow from financing activities		
Proceeds from issue of share capital (including securities premium)	25.00	-
Proceeds from long-term borrowings	15.00	-
Proceeds from short term borrowings from related parties	5.00	14.00
Repayment of short term borrowings to related parties	(5.00)	(24.00)
Net proceeds from short term borrowings	5.50	14.00
Net proceeds from finance lease obligations	-	0.13
Payment of finance lease obligations	(0.75)	(0.21)
Interest paid	(4.62)	(1.34)
Dividend paid (and related dividend distribution tax)	(5.24)	(4.36)
Net cash generated from financing activities (C)	**34.89**	**(1.78)**
Net (decrease) / increase in cash and cash equivalents (A+B+C)	**(21.31)**	**(4.16)**
Cash and cash equivalents as at 1 April	(4.73)	(0.57)
Cash and cash equivalents as at 31 March (refer note 20)	**(26.04)**	**(4.73)**

Significant accounting policies 3

The notes referred to above form an integral part of financial statements

As per our report of even date
For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No. 101248W/W-100022

S Sethuraman
Partner
Membership No. 203491

Place: Chennai
Date : 20 May 2019

For and on behalf of the board of directors of
ProConnect Supply Chain Solutions Limited
CIN: U63030TN2012PLC087458

Kasturi Rangan E.H
Director
DIN: 01814089

Krishnan S.V
Director
DIN: 07518349

Arunachalam R
Chief Executive Officer

Kasi Viswanathan P.S
Chief Financial Officer

Vignesh Kumar S M
Company Secretary

Place: Chennai
Date : 20 May 2019

NOTES forming part of the standalone financial statements for the year ended 31 March 2019

1 BACKGROUND

ProConnect Supply Chain Solutions Limited ('ProConnect' / 'the Company') incorporated on 31 August 2012, is a wholly owned subsidiary of Redington (India) Limited ('Redington'). The Company is engaged in the business of comprehensive Supply Chain Management ('SCM'), providing total logistic solutions services including warehousing management and allied services for various corporate customers.

2 BASIS OF PREPARATION

2.1 Statement of compliance

The standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, as amended from time to time, notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

These standalone financial statements were authorised for issue by the Company's Board of Directors on 20 May 2019

Details of the Company's accounting policies are included in Note 3.

2.2 Functional and presentation currency

These standalone financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts have been rounded-off to the nearest crores, unless otherwise stated.

2.3 Basis of measurement

The standalone financial statements have been prepared on the historical cost basis except for the following items:

Items	Measurement basis
Certain financial assets and liabilities	Fair value
Contingent consideration in acquisition of subsidiaries	Fair value
Defined benefit liability	Present value of defined benefit obligations

2.4 Use of estimates and judgements

In preparing these standalone financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the standalone financial statements is included in the following notes:

- Note 6 – revenue : whether the Company acts as an agent rather than as a principal in a transaction; and
- Note 24 – lease classification;

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ended 31 March 2019 is included in the following notes:

- Note 32 – measurement of defined benefit obligations: key actuarial assumptions;

- Note 33 – impairment of financial assets.

2.5 Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Company has an established framework with respect to the measurement of fair values. The Company regularly reviews significant unobservable inputs and valuation adjustments. If third party information is used to measure fair values, then the Company assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair values of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

NOTES forming part of the standalone financial statements for the year ended 31 March 2019 (Contd.)

The Company recognises transfer between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:

- Note 33 – financial instruments
- Note 38 – stock appreciation rights

3 SIGNIFICANT ACCOUNTING POLICIES

3.1 Foreign currency transactions

Transactions in foreign currencies are translated into the functional currency of the Company, at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences are recognised in profit or loss.

3.2 Financial instruments

i. Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

ii. Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at

- amortised cost;
- FVTPL

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as FVTPL:

– the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and

– the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortised cost as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

iii. Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expired.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

iv. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

v. Derivative financial instruments

The Company uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments and highly probable forecast transactions. The company does not hold derivative financial instruments for speculative purposes. Forward contracts are recognised at fair value on the date the contract is entered into and are subsequently remeasured at fair value.

3.3 Property, plant and equipment

i. Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

ii. Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

iii. Depreciation

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight-line method, and is generally recognised in the statement of profit and loss. Assets acquired under finance lease are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term.

` The estimated useful lives of items of property, plant and equipment are as follows:

Asset	Management estimate of useful life	Useful life as per Schedule II
Plant and Machinery	5 years	15 years
Computer and accessories	3 years	3 years
Furniture and fixtures	4 years	10 years
Office equipments	5 years	5 years
Vehicles	5 years	10 years

Depreciation method, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate. Based on technical evaluation and consequent advice, the management believes that its estimates of useful lives as given above best represent the period over which management expects to use these assets and are different from those prescribed in Schedule II of Companies Act.

NOTES forming part of the standalone financial statements for the year ended 31 March 2019 (Contd.)

Individual assets whose cost does not exceed INR 5,000/- are fully depreciated in the month of addition.

Depreciation on additions (disposals) is provided from (upto) the month in which asset is ready for use (disposed of).

3.4 Intangible assets

i. Recognition and measurement

Intangible assets including those acquired by the Company are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

ii. Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as incurred.

iii. Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives using the straight-line method, and is included in depreciation and amortisation in the Statement of Profit and Loss.

The estimated useful lives are as follows:

Asset	Useful life
Software	3 - 5 years

Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

3.5 Inventories

Inventories are measured at the lower of cost and net realisable value. Cost of inventory is determined using the weighted average method and cost of inventories comprise all cost of purchase and other cost incurred in bringing the inventories to the present location and condition, net of discounts.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

3.6 Impairment

i. Impairment of financial instruments

The Company recognises loss allowances for expected credit losses on financial assets measured at amortised cost.

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit - impaired. A financial asset is 'credit - impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit - impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the counterparty will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

The Company measures loss allowances at an amount equal to lifetime expected credit losses, except for the following, which are measured as 12 month expected credit losses:

- bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument. 12 month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward - looking information.

The Company assumes that the credit risk on financial assets has increased significantly if it is more than 180 days past due.

The Company considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held)
- the financial asset is 365 days or more past due.

Measurement of expected credit losses

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive).

Presentation of allowance for expected credit losses in the balance sheet

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

ii. Impairment of non-financial assets

The Company's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

The Company's corporate assets do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss. Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

3.7 Employee benefits

i. Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., under short-term bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

ii. Share based payment transactions

The grant date fair value of equity settled share-based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as expense is based on the estimate of the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do meet the related service and non-market vesting conditions at the vesting date.

iii. Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Company makes specified monthly

NOTES forming part of the standalone financial statements for the year ended 31 March 2019 (Contd.)

contributions towards Government administered provident fund scheme and employees state insurance scheme. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which the related services are rendered by employees.

iv. Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods.

The Company's gratuity plan is unfunded. Defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method at each balance sheet date. The defined benefit obligation is determined as the present value of the estimated future cash flows expected to be made by the Company in respect of services rendered by its employees upto the reporting date.

Remeasurements of the defined benefit liability, which comprise actuarial gains and losses are recognised in OCI. The Company determines the interest expense on the defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then defined benefit liability. Interest expense and other expenses related to defined benefit plans are recognised in profit or loss under finance costs and employee benefit expenses respectively.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

v. Other long-term employee benefits

The Company's obligation in respect of long-term employee benefits other than post-employment benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The obligation is measured on the basis of an annual independent actuarial valuation using the projected unit credit method. Remeasurements gains or losses are recognised in profit or loss in the period in which they arise.

3.8 Provisions (other than for employee benefits)

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for.

3.9 Revenue recognition

The Company earns revenue primarily from the business of comprehensive Supply Chain Management ('SCM'), providing total logistic solutions services including warehousing management and allied services for various corporate customers. Effective 1 April 2018, the Company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts. The Company has adopted Ind AS 115 using the cumulative effect method, wherein the comparatives have not been retrospectively adjusted. There are no adjustments required to be made to the retained earnings as at 31 March 2018.

Revenue is recognised upon transfer of control of promised services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those services.

- Revenue from warehousing management services where the Company leases out warehouse space along with warehousing equipments is measured based on the mutually agreed monthly rent with customers. Revenue for warehousing management services are recorded at gross or net basis depending on whether the Company is acting as the principal or as an agent of the customer. The Company recognises revenue in the gross amount of consideration when it is acting as a principal and at net amount of consideration when it is acting as an agent.
- Revenue from third party logistics services is recognised based on the consignment notes issued by the Company. Revenue is measured based on the mutually agreed rate as per the contract with the customer.
- Revenue from allied services is recognised on output basis, measured by number of orders processed.

- Revenue from sales of goods and scrap sales is recognised at the point in time when control is transferred to the customer.

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Unearned and deferred revenue ("contract liability") is recognised when there is billings in excess of revenues.

In accordance with Ind AS 37, the Company recognises an onerous contract provision when the unavoidable costs of meeting the obligations under a contract exceed the economic benefits to be received.

Disaggregation of revenue

The Company disaggregates revenue from contracts with customers by the geographic location of the customers. The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of our revenues and cash flows are affected by industry, market and other economic factors. Refer Note 5.

Performance obligations and revenue recognition policies

The following details provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies.

(ia) Revenue recognition under Ind AS 115 (applicable from 1 April 2018)

a. Sales of goods or services

Revenue is recognized upon transfer of control of promised services to the customers in an amount that reflects the considerations expected to receive in exchange for those products or services. Revenue is measured based on the transaction price, which is the consideration as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

(ib) Revenue recognition under Ind AS 18 (applicable before 1 April 2018)

a. Sales of services

Service income mainly comprises of logistic services, warehousing charges, freight charges and other related charges for rendering supply chain management services to customers. Service income is recognised based on the terms of the agreement entered into with customers when the services are rendered. Unbilled revenue represents services rendered and revenue is recognised on contracts to be billed in subsequent periods as per the terms of the related contract.

b. Sales of goods

Sale of goods primarily comprises of goods bought as per the requirements of the customer. Revenue is recognised when the significant risk and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably and the amount of revenue can be measured reliably.

3.10 Leases

i. Determining whether an arrangement contains a lease

At inception of an arrangement, it is determined whether the arrangement is or contains a lease.

At inception or on reassessment of the arrangement that contains a lease, the payments and other consideration required by such an arrangement are separated into those for the lease and those for other elements on the basis of their relative fair values. If it is concluded for a finance lease that it is impractible to separate the payments reliably, then an asset and liability are recognised at an amount equal to the fair value of the underlying asset. The liability is reduced as payments are made and an imputed finance cost on the liability is recognised using the incremental borrowing rate.

ii. Assets held under leases

Leases of property, plant and equipment that transfer to the Company substantially all the risks and rewards of ownership are classified as finance leases. The leased assets are measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to similar owned assets.

Assets held under leases that do not transfer to the Company substantially all the risks and rewards of ownership (i.e. operating leases) are not recognised in the Company's Balance Sheet.

iii. Lease payments

Payments made under operating leases are generally recognised in profit or loss on a straight-line basis over the term of the lease unless such

NOTES forming part of the standalone financial statements for the year ended 31 March 2019 (Contd.)

payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. Lease incentives received are recognised as an integral part of the total lease expense over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

3.11 Recognition of dividend income, interest income or expense

Dividend income is recognised in profit or loss on the date on which the Company's right to receive payment is established.

Interest income or expense is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

3.12 Income tax

Income tax comprises current and deferred tax. It is recognised in profit or loss except to the extent when it relates to an item recognised directly in equity or in other comprehensive income respectively.

i. Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

ii. Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

NOTES forming part of the standalone financial statements for the year ended 31 March 2019 (Contd.)

3.13 Earnings per share

Basic earnings per share is computed by dividing profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year. The Company did not have any potentially dilutive securities in any of the years presented.

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 is adjusted for the effects of all dilutive potential equity shares.

3.14 Cash and cash equivalents

Cash and cash equivalent comprise of cash on hand and at banks including short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. Other bank deposits which are not in the nature of cash and cash equivalents with a maturity period of more than three months are classified as other bank balances.

3.15 Cash flows

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, financing and investing activities of the Company are segregated.

3.16 Borrowing cost

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

3.17 Investment in subsidiaries

Investments in subsidiaries are accounted at cost less impairment.

3.18 Government grants

Government grants are recognised initially as deferred income at fair value when there is reasonable assurance that they will be received and the Company will comply with the conditions associated with the grant; they are then recognised in profit or loss as other operating revenue on a systematic basis.

Grants that compensate the Company for expenses incurred are recognised in statement of profit or loss as other income on a systematic basis in the periods in which such expenses are recognised.

3.19 Dividend to share holders

Final dividend is distributed to Equity share holders is recognised in the period in which it is approved by the members of the Company in the Annual General Meeting. Final dividend net of divided distribution tax are recognised in the Statement of Changes in Equity.

NOTES forming part of the standalone financial statements for the year ended 31 March 2019 (Contd.)

4 RECENT INDIAN ACCOUNTING STANDARDS (IND AS)

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2018 has notified the following new and amendments to Ind ASs which the Company has not applied as they are effective for annual periods beginning on or after 1 April 2019:

Ind AS 116	Leases
Ind AS 12	Income taxes
Ind AS 109	Financial instruments

Ind AS 116 Leases

The Company is required to adopt Ind AS 116, Leases from 1 April 2019. Ind AS 116 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases. It replaces existing leases guidance, Ind AS 17, Leases.

The Company has completed an initial assessment of the potential impact on its standalone financial statements but has not yet completed its detailed assessment. The quantitative impact of adoption of Ind AS 116 on the standalone financial statements in the period of initial application is not reasonably estimable as at present.

i. Leases in which the Company is a lessee

The Company will recognise new assets and liabilities for its operating leases of warehouse. The nature of expenses related to those leases will now change because the Company will recognise a depreciation charge for right-of-use assets and interest expense on lease liabilities.

Previously, the Company recognised operating lease expense on a straight-line basis over the term of the lease, and recognised assets and liabilities only to the extent that there was a timing difference between actual lease payments and the expense recognised.

In addition, the Company will no longer recognise provisions for operating leases that it assesses to be onerous. Instead, the Company will include the payments due under the lease in its lease liability and apply Ind AS 36, Impairment of Assets to determine whether the right-of-use asset is impaired and to account for any impairment.

No significant impact is expected for the Company's finance leases.

ii. Leases in which the Company is a lessor

The Company will reassess the classification of sub-leases in which the Company is a lessor. Based on the information currently available, the Company expects that it will reclassify one sub-lease as a finance lease.

No significant impact is expected for other leases in which the Company is a lessor.

iii. Transition

The Company plans to apply Ind AS 116 initially on 1 April 2019, using the modified retrospective approach. Therefore, the cumulative effect of adopting Ind AS 116 will be recognised as an adjustment to the opening balance of retained earnings at 1 April 2019, with no restatement of comparative information.

The Company plans to apply the practical expedient to grandfather the definition of a lease on transition. This means that it will apply Ind AS 116 to all contracts entered into before 1 April 2019 and identified as leases in accordance with Ind AS 17.

Ind AS 12 Income taxes

The amendment clarifies on the accounting of income tax consequences of distribution of profits (i.e. dividends), including payments on financial instruments classified as equity, should be recognised when a liability to pay dividend is recognised.

Income tax consequences should be recognised in profit or loss, Other Comprehensive Income (OCI) or equity according to where the past transactions or events that generated distributable profits were originally recognised.

The Company is in the process of assessing the impact of this amendment on its standalone financial statements.

Ind AS 109 Financial instruments

The Company has been applying Ind AS 109 in the preparation of its standalone financial statements. A recent amendment to the standard deals with how the a financial asset should be measured. A financial asset would be classifed and measured at amortised cost or at Fair Value through Other Comprehensive Income (FVOCI) if its contractual cash flows are soley in the nature of principle and the interest on the principle amount outstanding (SPPI criterion)

NOTES forming part of the standalone financial statements for the year ended 31 March 2019 (Contd.)

5 OPERATING SEGMENTS

The Company is engaged in only one business namely providing supply chain management ('SCM') services. The entity's chief operating decision maker considers the Company as a whole to make decisions about resources to be allocated to the segment and assesses its performance. Accordingly, the Company does not have multiple segments and the standalone financial statements are reflective of the information required by the Ind AS 108 for SCM segment.

A. Geographic information :

The geographic information analyses the Company's revenue by the Company's country of domicile and other countries. In presenting the geographical information, segment revenue has been determined based on the geographic location of the customers.

	Year ended 31 March 2019	Year ended 31 March 2018
India	250.40	182.52
USA	16.40	15.20
	266.80	**197.72**

The Company's operations are entirely carried out from India and as such all its non-current assets are located in India.

B. Major Customers

Revenue from customers that individually constituted more than 10% of the Company's revenue are as follows:

	Year ended 31 March 2019	Year ended 31 March 2018
Customer A	65.46	67.91
Customer B	44.76	37.52
	110.22	**105.43**

6 REVENUE FROM OPERATIONS

	Year ended 31 March 2019	Year ended 31 March 2018
Sale of products	**0.20**	**1.03**
Sale of services		
Income from supply chain management services ^ ^	266.57	196.63
Other operating revenue		
Scrap Sales	0.03	0.06
	266.80	**197.72**

^ ^ Includes revenue INR 0.93 crores (31 March 2018: Nil) from renting of warehouse, net of related cost in respect of which the Company acts as an agent in the transaction rather than as the principal.

NOTES forming part of the standalone financial statements for the year ended 31 March 2019 (Contd.)

(All amounts are in Indian Rupees in crores, except share data and as stated)

7 OTHER INCOME

	Year ended 31 March 2019	Year ended 31 March 2018
Interest income on		
Cash and cash equivalents and other bank balances	0.06	0.18
Loan to corporates	1.66	1.05
Security deposits at amortised cost	1.21	0.57
Net gain on sale of property, plant and equipment	0.06	0.01
Net gain on foreign currency transactions	(0.38)	0.07
Finance income on lease	0.72	0.24
Export incentives	1.25	1.37
Miscellaneous income	1.31	0.49
	5.89	**3.98**

8 CHANGES IN INVENTORIES OF SPARES

	Year ended 31 March 2019			Year ended 31 March 2018		
	Opening stock	Closing stock	Increase / Decrease	Opening stock	Closing stock	Increase / Decrease
Stock-in-trade of spares*	-	-	-	-	-	-
	-	-	-	-	-	-

* Increase in inventory of spares of INR 12,465/- for year ended 31 March 2019 (31 March 2018: INR 14,139/- decrease in inventory of spares) has been rounded off in crores to Nil.

9 PURCHASE OF SPARES

	Year ended 31 March 2019	Year ended 31 March 2018
Purchases of spares	0.07	0.87
	0.07	0.87

10 EMPLOYEE BENEFIT EXPENSES

	Year ended 31 March 2019	Year ended 31 March 2018
Salaries, wages and bonus	20.58	17.90
Contribution to provident funds	1.21	1.02
Expenses related to post-employment defined benefit plans	0.58	0.48
Expenses related to compensated absences	0.29	0.27
Staff welfare expenses	3.13	1.73
Stock compensation expense (refer note 38)	2.64	0.67
	28.43	**22.07**

Defined contribution plans

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards Provident Fund (PF) and employees' state insurance (ESI) scheme which are defined contribution plans. The Company has no obligations other than to make the specified contributions. The contributions are charged to the statement of profit and loss as they accrue. The amount recognised as an expense towards contribution to Provident Fund and ESI for the year aggregated to INR 1.21 crores (31 March 2018: INR 1.02 crores)

NOTES forming part of the standalone financial statements for the year ended 31 March 2019 (Contd.)

(All amounts are in Indian Rupees in crores, except share data and as stated)

11 FINANCE COSTS

	Year ended 31 March 2019	Year ended 31 March 2018
Interest expense on financial liabilities measured at amortised cost	3.90	0.70
Interest on loan from related parties	0.04	0.58
Finance cost on finance lease obligations	0.68	0.17
	4.62	**1.45**

12 DEPRECIATION AND AMORTISATION EXPENSE

	Year ended 31 March 2019	Year ended 31 March 2018
Depreciation of property, plant and equipment (refer note 15)	5.04	4.13
Amortisation of intangible assets (refer note 16)	0.48	0.07
	5.52	**4.20**

13 OTHER EXPENSES

	Year ended 31 March 2019	Year ended 31 March 2018
Freight, delivery and shipping charges	54.23	34.60
Rent	47.10	35.87
Outsourced manpower cost	58.66	32.09
Warehouse handling charges	4.07	5.31
Consumption of packing materials	2.35	1.98
Power and fuel	2.96	2.77
Rates and taxes	1.15	1.90
Insurance	0.45	0.34
Repairs and maintenance		
Buildings	0.25	0.56
Machinery	1.26	1.47
Others	5.63	4.21
Directors' sitting fees	0.06	0.05
Legal and professional charges (refer note (a))	3.57	2.21
Travel and Conveyance	2.18	2.45
Sales promotion expenses	0.16	0.10
Communication expenses	2.14	2.22
Security services	9.24	7.99
Printing and stationery	1.97	1.52
Provision for doubtful debts	0.48	0.03
Bank charges	0.33	0.06
Expenditure on Corporate social responsibility (refer note (b))	0.52	0.36
Miscellaneous expenses	0.42	0.57
	199.18	**138.65**

a. Payment to auditors included in legal and professional charges

	Year ended 31 March 2019	Year ended 31 March 2018
Statutory audit	0.06	0.06
Tax audit	0.01	0.01
Other services	0.02	0.02
Reimbursement of expenses	0.02	0.01
	0.11	**0.10**

NOTES forming part of the standalone financial statements for the year ended 31 March 2019 (Contd.)

(All amounts are in Indian Rupees in crores, except share data and as stated)

13 OTHER EXPENSES (CONTD.)

b. Details of corporate social responsibility expenduture

As per section 135 of the Companies Act, 2013, a Company, meeting the applicable threshold, needs to spend atleast 2% of its average net profits for the immediately preceding three financial years on CSR activities. The details relating to the same are as follows:

	Year ended 31 March 2019	Year ended 31 March 2018
Amount required to be spent by the Company during the year	0.52	0.36
Amount spent during the year :		
(i) Construction/ acquisition of any asset	-	-
(ii) On purposes other than (i) above	0.52	0.36
	0.52	**0.36**

14 INCOME TAX

A. Amount recognised in the profit and loss

	Year ended 31 March 2019	Year ended 31 March 2018
Current tax		
Current period	10.76	12.90
Total current tax expense	10.76	12.90
Deferred tax		
Origination and reversal of temporary difference	(0.31)	(1.06)
Reduction in tax rates	0.17	-
Total deferred tax expense / (benefit)	**(0.14)**	**(1.06)**
	10.62	**11.84**

B. Income tax recognised in other comprehensive income

	Year ended 31 March 2019			**Year ended 31 March 2018**		
	Before tax	**Tax (expense) / benefit**	**Net of tax**	**Before tax**	**Closing stock**	**Increase / Decrease**
Remeasurement of defined benefit liability (asset)	(0.63)	0.18	(0.45)	(0.68)	0.24	(0.44)
	(0.63)	**0.18**	**(0.45)**	**(0.68)**	**0.24**	**(0.44)**

C. Reconciliation of effective tax rate

	Year ended 31 March 2019		**Year ended 31 March 2018**	
Profit before tax		**34.87**		**34.46**
Enacted tax rates in India	29.12%		34.61%	
Computed expected tax expense		10.15		11.93
Changes in tax rates	0.49%	0.17	0.00%	-
Changes in estimates related to prior years	0.66%	0.23	-0.61%	(0.21)
Effect of non-deductible expenses	0.20%	0.07	0.35%	0.12
Income tax expense	**30.47%**	**10.62**	**34.35%**	**11.84**

NOTES forming part of the standalone financial statements for the year ended 31 March 2019 (Contd.)

(All amounts are in Indian Rupees in crores, except share data and as stated)

14 INCOME TAX (CONTD.)

D. Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Deferred tax assets		Deferred tax liabilities		Net Deferred tax assets (liabilities)	
	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
Property, plant and equipment	-	1.06	0.10	-	(0.10)	1.06
Provision - employee benefits	1.67	0.96	-	-	1.67	0.96
Finance lease receivable	-	1.58	1.58	-	(1.58)	1.58
Finance lease payable	2.99	-	-	1.42	2.99	(1.42)
Provision - others	0.19	0.67	-	-	0.19	0.67
Net deferred tax assets (liabilities)	**4.85**	**4.27**	**1.68**	**1.42**	**3.17**	**2.85**

Movement in temporary differences:

	Balance as at 1 April 2017	Recognized in Profit or Loss during 2017-18	Recognized in OCI during 2017-18	Balance as at 31 March 2018	Recognized in Profit or Loss during 2018-19	Recognized in OCI during 2018-19	Balance as at 31 March 2019
Property, plant and equipment	0.41	0.65	-	1.06	(1.16)	-	(0.10)
Provision - employee benefits	1.09	(0.37)	0.24	0.96	0.53	0.18	1.67
Finance lease receivable	-	1.58	-	1.58	(3.16)	-	(1.58)
Finance lease Payable	-	(1.42)	-	(1.42)	4.41	-	2.99
Provision - others	0.05	0.62	-	0.67	(0.48)	-	0.19
Net Deferred tax asset	**1.55**	**1.06**	**0.24**	**2.85**	**0.14**	**0.18**	**3.17**

15 PROPERTY, PLANT AND EQUIPMENT

A. Reconciliation of carrying amount

	Plant and machinery	Office equipment	Furniture and fixtures	Computers	Vehicles	Total
Deemed cost / Cost (Gross carrying amount)						
Balance as at 1 April 2017	2.73	2.18	4.17	3.35	1.62	14.05
Additions (also refer note B below)	1.56	0.57	1.82	1.28	0.35	5.58
Disposals	-	-	-	-	(0.06)	(0.06)
Balance as at 31 March 2018	**4.29**	**2.75**	**5.99**	**4.63**	**1.91**	**19.57**
Additions (also refer note B below)	5.93	1.23	1.01	2.88	0.70	11.75
Disposals	-	-	-	-	(0.09)	(0.09)
Balance as at 31 March 2019	**10.22**	**3.98**	**7.00**	**7.51**	**2.52**	**31.23**
Accumulated depreciation						
Balance as at 1 April 2017	1.10	0.69	1.33	1.59	0.28	4.99
Additions	0.85	0.52	1.23	1.23	0.33	4.16
Disposals	-	-	-	-	(0.04)	(0.04)
Balance as at 31 March 2018	**1.95**	**1.21**	**2.56**	**2.82**	**0.57**	**9.11**
Additions	1.83	0.73	0.66	1.45	0.37	5.04
Disposals	-	-	-	-	(0.01)	(0.01)
Balance as at 31 March 2019	**3.78**	**1.94**	**3.22**	**4.27**	**0.93**	**14.14**
Carrying amount (net)						
As at 31 March 2018	2.34	1.54	3.43	1.81	1.34	10.46
As at 31 March 2019	**6.44**	**2.04**	**3.78**	**3.24**	**1.59**	**17.09**

NOTES forming part of the standalone financial statements for the year ended 31 March 2019 (Contd.)

(All amounts are in Indian Rupees in crores, except share data and as stated)

15 PROPERTY, PLANT AND EQUIPMENT (CONTD.)

B. Property, plant and equipment held under finance leases

During the current year the Company has acquired a set of warehouse racks amounting to INR 6.12 crore under a finance lease arrangement. The lease provides the Company with an option to purchase the warehouse racks at the end of the lease term.The lease equipment secures the related lease obligations (Refer note 28).

During the previous year the Company has acquired a set of warehouse racks amounting to INR 5.07 crore under a finance lease arrangement. The lease provides the Company with an option to purchase the warehouse racks at the end of the lease term.The lease equipment secures the related lease obligations (Refer note 28). Out of these leased assets, the Company has sub leased assets amounting to INR 4.84 crore under a finance lease arrangement.

The gross and net carrying amounts of furniure and fixture acquired under finance leases and included in above as follows:

	Plant and machinery	Office equipment	Furniture and fixtures	Computers	Total
Cost					
Balance as at 1 April 2017	-	-	-	-	-
Assets acquired on finance lease during the year ended 31 March 2018	-	-	5.07	-	5.07
Assets given on finance lease during the year	-	-	(4.84)	-	(4.84)
Cost as at 31 March 2018 (included above)	**-**	**-**	**0.23**	**-**	**0.23**
Assets acquired on finance lease during the year ended 31 March 2019	4.60	0.60	-	0.92	6.12
Assets given on finance lease during the year	-	-	-	-	-
Cost as at 31 March 2019 (included above)	**4.60**	**0.60**	**0.23**	**0.92**	**6.35**
Accumulated depreciation					
Balance as at 1 April 2017	-	-	-	-	-
Depreciation during the year ended 31 March 2018	-	-	(0.02)	-	(0.02)
Accumulated depreciation as at 31 March 2018	**-**	**-**	**(0.02)**	**-**	**(0.02)**
Depreciation during the year ended 31 March 2019	(0.35)	(0.09)	(0.04)	(0.07)	(0.55)
Accumulated depreciation as at 31 March 2019	**(0.35)**	**(0.09)**	**(0.06)**	**(0.07)**	**(0.57)**
Carrying amount (net)					
As at 31 March 2018	-	-	0.21	-	0.21
As at 31 March 2019	**4.25**	**0.51**	**0.17**	**0.85**	**5.78**

Further, additions include an amount of INR 0.65 crores (31 March 2018: INR 0.60 crores) in respect of certain property, plant and equipment that were acquired by the Company and given on finance lease.

NOTES forming part of the standalone financial statements for the year ended 31 March 2019 (Contd.)

(All amounts are in Indian Rupees in crores, except share data and as stated)

16 INTANGIBLE ASSETS

Particulars	Software	Total
Deemed cost / Cost (Gross carrying amount)		
Balance as at 1 April 2017	**0.23**	**0.23**
Additions	0.02	0.02
Disposals	-	-
Balance as at 31 March 2018	**0.25**	**0.25**
Additions	5.31	5.31
Disposals	-	-
Balance as at 31 March 2019	**5.56**	**5.56**
Accumulated amortisation		
Balance as at 1 April 2017	**0.06**	**0.06**
Additions	0.07	0.07
Disposals	-	-
Balance as at 31 March 2018	**0.13**	**0.13**
Additions	0.48	0.48
Disposals	-	-
Balance as at 31 March 2019	**0.61**	**0.61**
Carrying amount (net)		
As at 31 March 2018	0.12	0.12
As at 31 March 2019	**4.95**	**4.95**

17 INVESTMENTS IN SUBISIDARIES

	As at 31 March 2019	As at 31 March 2018
Unquoted equity shares in subsidiaries at cost		
9,826,616 (31 March 2018: 6,333,333) equity shares of Rajprotim Supply Chain Solutions Limited.	21.97	15.20
900 (31 March 2018 :Nil) equity shares of Auroma Logistics Private Limited	51.69	-
	73.66	**15.20**

	Proportion of Ownership interest		
	Principal place of business	**As at 31 March 2019**	As at 31 March 2018
Rajprotim Supply Chain Solutions Limited	Kolkata, India	88%	76%
Auroma Logistics Private Limited	Pondicherry, India	90%	-

18 INVENTORIES

	As at 31 March 2019	As at 31 March 2018
Spares*	-	-
	-	**-**

* Inventory of spares as at 31 March 2019 of INR 12,465 (31 March 2018: INR Nil) has been rounded off in crores to Nil.

NOTES forming part of the standalone financial statements for the year ended 31 March 2019 (Contd.)

(All amounts are in Indian Rupees in crores, except share data and as stated)

19 TRADE RECEIVABLES

	As at 31 March 2019	As at 31 March 2018
Unsecured, considered good	76.69	55.21
Doubtful	0.66	0.18
Less : Loss allowance	(0.66)	(0.18)
	76.69	**55.21**
Current	76.69	55.21
	76.69	**55.21**

Of the above, trade receivables from related parties are as below:

	As at 31 March 2019	As at 31 March 2018
Total Trade receivables from related parties (refer note 36)	9.34	7.49
Less: Loss allowance	-	-
Net Trade receivables	**9.34**	**7.49**

20 CASH AND CASH EQUIVALENTS

	As at 31 March 2019	As at 31 March 2018
Cash in hand	0.13	0.11
Balance with banks:		
- in current accounts	0.44	0.79
Cash and cash equivalents in balance sheet	0.57	0.90
Less: Bank overdrafts used for cash management purposes	(26.61)	(5.63)
Cash and cash equivalents in the statements of cash flows	**(26.04)**	**(4.73)**

The disclosures regarding details of specified bank notes held and transacted during 8 November 2016 to 30 December 2016 has not been made in these financial statements since the requirement does not pertain to financial year ended 31 March 2019.

21 OTHER BANK BALANCES

	As at 31 March 2019	As at 31 March 2018
Fixed deposits with original maturity of more than three months	0.59	3.72
	0.59	**3.72**

Other bank balances includes 31 March 2019 INR 0.56 crores (31 March 2018: INR 0.56 crores) of fixed deposit is pledged against the Overdraft facility availed from SBI. And further the Company had pledged its other bank balances amounting to 31 March 2019 INR Nil (31 March 2018: INR 3.00 crores) as a collateral in respect of certain financing arrangements entered into by its subsidiary, Rajprotim Supply Chain Solutions Limited.

22 DEPOSITS AND OTHER RECEIVABLES

	As at 31 March 2019	As at 31 March 2018
Non-current		
Security deposit	10.42	7.45
	10.42	**7.45**
Current		
Security deposit	4.93	2.08
	4.93	**2.08**

NOTES forming part of the standalone financial statements for the year ended 31 March 2019 (Contd.)

(All amounts are in Indian Rupees in crores, except share data and as stated)

23 LOANS

	As at 31 March 2019	As at 31 March 2018
Secured, considered good		
Loan to body corporates*	10.00	10.00
Less: Loss allowance	-	-
	10.00	**10.00**
Unsecured, considered good		
Loan to body corporates	11.76	2.00
Less: Loss allowance	-	-
	11.76	2.00
	21.76	**12.00**
Non-current	-	-
Current	21.76	12.00
	21.76	**12.00**

* The Company had given INR 12 crores (31 March 2018: INR 12 crores) as loan to Rajprotim Agencies Private Limited ("RAPAL"). Out of INR 12 crores, INR 10 crores is secured by a pledge of 62,000 shares of RAPAL.

24 OTHER FINANCIAL ASSETS

	As at 31 March 2019	As at 31 March 2018
Non-current		
Advance for purchase of shares	-	3.60
Long term finance lease receivable (refer note below)	4.59	4.99
	4.59	**8.59**
Current		
Current maturities of finance lease receivable (refer note below)	0.85	0.45
Interest accrued	0.88	0.27
Others	3.34	0.93
	5.07	**1.65**

Finance lease receivable

The Company's leasing arrangement represents the certain pallets and other assets given to customers which have been classified under Ind AS 17 on Leases as Finance lease. The lease term covers the substantial period of the assets and all the risks and rewards of ownership are transferred to the lessee. The Company records disposal of the property concerned and recognizes the finance income as revenue from operations.

The reconciliation between the gross investment in the lease at the end of the reporting period, and the present value of minimum lease payments receivable at the end of the reporting period are as follows:

	As at 31 March 2019	As at 31 March 2018
Gross investment	7.88	8.57
Unearned finance income	(2.44)	(3.13)
Net investment	**5.44**	**5.44**

Finance leases are receivable as follows:

	As at 31 March 2019	As at 31 March 2018
Gross investment		
Within less than one year	1.46	1.11
Between One and five years	4.60	5.54
After more than five years	1.82	1.92
	7.88	**8.57**

NOTES forming part of the standalone financial statements for the year ended 31 March 2019 (Contd.)

(All amounts are in Indian Rupees in crores, except share data and as stated)

	As at 31 March 2019	As at 31 March 2018
Present value of minimum lease payments		
Within less than one year	0.85	0.45
Between One and five years	2.97	3.27
After more than five years	1.62	1.72
	5.44	**5.44**

25 OTHER ASSETS

	As at 31 March 2019	As at 31 March 2018
Non-current		
Capital advances	0.03	0.66
Prepayments	2.35	1.33
Receivable from government authorities	2.03	1.38
	4.41	**3.37**
Current		
Prepayments	1.97	1.03
Balances with Statutory authorities	2.41	0.69
Others	13.55	0.60
	17.93	**2.32**

26A SHARE CAPITAL

	As at 31 March 2019	As at 31 March 2018
Authorised		
15,000,000 (31 March 2018: 15,000,000) equity shares of ₹10 each	15.00	15.00
Issued, Subscribed and Paid-up		
9,081,465 (31 March 2018: 7,243,230) equity shares of ₹10 each fully paid up	9.08	7.24

Particulars	**As at 31 March 2019**		As at 31 March 2018	
	No. of shares	**Amount**	**No. of shares**	**Amount**
Equity shares				
At the commencement of the year	7,243,230	7.24	7,243,230	7.24
Shares issued for cash	1,838,235	1.84	-	-
At the end of the year	**9,081,465**	**9.08**	**7,243,230**	**7.24**

Rights, preferences and restrictions attached to equity shares

The Company has a single class of equity shares of par value of ₹10/- per share. Accordingly, all equity shares rank equally with regard to dividends, voting rights or otherwise. The equity shareholders are entitled to receive dividend as may be declared from time to time. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share of the paid-up equity capital of the Company.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Shares held by holding / ultimate holding company and / or their subsidiaries / associates and particulars of shareholder holding more than 5% shares of a class of shares

Particulars	**As at 31 March 2019**		As at 31 March 2018	
	No. of shares	**Amount**	**No. of shares**	**Amount**
Equity shares of ₹10/- each paid up held by Redington (India) Limited and its nominees	9,081,465	9.08	7,243,230	7.24

NOTES forming part of the standalone financial statements for the year ended 31 March 2019 (Contd.)

(All amounts are in Indian Rupees in crores, except share data and as stated)

26B OTHER EQUITY

a. Securities premium

	As at 31 March 2019	As at 31 March 2018
At the commencement of the year	12.31	12.31
Share issued for cash	23.16	-
At the end of the year	**35.47**	**12.31**

Securities premium is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Companies Act, 2013.

b. Capital reserve

	As at 31 March 2019	As at 31 March 2018
At the commencement of the year	0.67	-
Stock Compensation Cost (Refer Note 10)	2.64	0.67
At the end of the year	**3.31**	**0.67**

Capital reserve represents accumulated stock compensation cost in respect of Stock Appreciation Rights granted to the employees and directors of the Company by the holding company.

c. Dividends

	As at 31 March 2019	As at 31 March 2018
INR 6 per equity share (31 March 2018: INR. 5)	4.36	3.62
Dividend distribution tax (DDT) on dividend to equity shareholders	0.88	0.74
	5.24	**4.36**

After the reporting dates the following dividends (excluding dividend distribution tax) were proposed by the directors subject to the approval at the annual general meeting; the dividends have not been recognised as liabilities. Dividends would attract dividend distribution tax when declared or paid.

	As at 31 March 2019	As at 31 March 2018
INR Nil per equity share (31 March 2018: INR 6 per equity share)	-	4.36

d. Analysis of accumulated OCI, net of tax

A. Other items of OCI

	As at 31 March 2019	As at 31 March 2018
Remeasurements of defined benefit liability	(1.19)	(0.74)
	(1.19)	**(0.74)**

Remeasurements of defined benefit liability

	As at 31 March 2019	As at 31 March 2018
Opening balance	(0.74)	(0.30)
Remeasurements of defined benefit liability	(0.45)	(0.44)
Closing balance	**(1.19)**	**(0.74)**

Remeasurements of defined benefit liability

Remeasurements of defined benefit liability comprises actuarial (losses) / gains.

NOTES forming part of the standalone financial statements for the year ended 31 March 2019 (Contd.)

(All amounts are in Indian Rupees in crores, except share data and as stated)

26C CAPITAL MANAGEMENT

The Company manages its capital to ensure that the Company will be able to continue as a going concern while maximizing the return to shareholder through the optimisation of debt and equity balances by maintaining an appropriate level of parity between them. The Company monitors capital using a ratio of 'adjusted net debt' to 'adjusted equity'. Adjusted equity comprises all components of equity. Adjusted net debt comprises short term as well as long term borrowings including finance leases, less cash and cash equivalents. The Company's policy is to keep this ratio below 1.00. The Company's adjusted net debt to equity ratio at the end of the year is as follows:

	As at 31 March 2019	As at 31 March 2018
Total borrowings - short term and long term	71.37	24.52
Less: Cash and cash equivalents and other bank balances	(1.16)	(4.62)
Net Debt (A)	**70.21**	**19.90**
Total Equity (B)	121.74	75.54
Adjusted net debt to adjusted equity ratio	**0.58**	**0.26**

27 EARNINGS PER SHARE

a. Basic and diluted earnings per share

The calculations of profit attributable to equity shareholders and weighted average number of equity shares outstanding for purposes of basic and diluted earnings per share calculation are as follows:

(i) Profit (loss) attributable to equity shareholders (basic and diluted)

	Year ended 31 March 2019	Year ended 31 March 2018
Profit (loss) for the year, attributable to the equity holders	24.25	22.62

(ii) Weighted average number of equity shares (basic and diluted)

	Year ended 31 March 2019	Year ended 31 March 2018
Opening balance	7,243,230	7,243,230
Effect of fresh issue of shares for cash	130,943	-
Weighted average number of equity outstanding during the year	**7,374,173**	**7,243,230**

28 BORROWINGS

	As at 31 March 2019	As at 31 March 2018
Non current borrowings		
Term loan		
Secured bank loan	15.00	-
Long term maturities of finance lease obligations (secured)	8.60	4.23
	23.60	**4.23**
Current borrowings		
Loans from banks		
Cash credit facilities (secured)	26.22	5.28
Overdraft facilities (secured)	0.39	0.35
Working capital demand loan (secured)	19.50	14.00
Current portion of finance lease obligations (secured)	1.66	0.66
	47.77	**20.29**

Information about the Company's exposure to interest rate and liquidity risk is provided in Note 33

NOTES forming part of the standalone financial statements for the year ended 31 March 2019 (Contd.)

(All amounts are in Indian Rupees in crores, except share data and as stated)

28 BORROWINGS (CONTD.)

A. Terms and repayment schedule

Terms and conditions of outstanding borrowings are as follows:

	Currency	Nominal interest rate	Year of maturity	Carrying amount at 31 March 2019	Carrying amount at 31 March 2018
Cash credit from banks	INR	9.2 to 10%	2018-19	26.22	5.28
Overdraft facilities from banks	INR	7.75%	2018-19	0.39	0.35
Working capital demand loan	INR	8.55 to 9.75%	2018-19	19.50	14.00
Term loan	INR	9.25%	2021-22	15.00	-
Finance lease obligations	INR	10.25%	2022-23	10.26	4.89
				71.37	**24.52**

Summary of borrowing arrangements

Cash credit from banks and working capital demand loan from banks is secured by a pari-passu charge on all receivables / book debts of the Company.

Overdraft facilities from banks is secured by fixed deposits of INR 0.56 crores.

Finance lease obligations is secured against the assets taken on lease.

Term loan is secured by moveable fixed assets with a security cover of not less than 1.00 times of outstanding term loan

Finance lease obligations

Finance lease obligations are as follows:

	Future Minimum Lease Payments (MLP)	Interest Elements of MLP	Present Value of Minimum Lease Payments
As at 31 March 2019			
Within less than one year	2.56	0.90	1.66
Between One and five years	10.24	1.64	8.60
After more than five years	-	-	-
	12.80	**2.54**	**10.26**
As at 31 March 2018			
Within less than one year	1.13	0.47	0.66
Between One and five years	5.28	1.05	4.23
After more than five years	-	-	-
	6.41	**1.52**	**4.89**

Reconciliation of movements of liabilites to cash flows arising from financing activities

Particulars	Cash credit and overdraft from banks	Working capital demand loan including related party loans	Term loans	Finance lease obligations	Total
Balance at the beginning of the year					
- Borrowings	**5.63**	**14.00**	**-**	**4.89**	**24.52**
- Other financial liabilites	**-**	**-**	**-**	**-**	**-**
Changes from financing cash flows					
Loans availed during the year	-	127.70	15.00	-	142.70
Loans repaid during the year	-	(122.20)	-	(0.75)	(122.95)
Interest expense	1.63	2.11	0.20	0.68	4.62
Interest paid	(1.63)	(2.11)	(0.20)	(0.68)	(4.62)
Total changes from financing cash flows	**-**	**5.50**	**15.00**	**(0.75)**	**19.75**

NOTES forming part of the standalone financial statements for the year ended 31 March 2019 (Contd.)

(All amounts are in Indian Rupees in crores, except share data and as stated)

28 BORROWINGS (CONTD.)

Particulars	Cash credit and overdraft from banks	Working capital demand loan including related party loans	Term loans	Finance lease obligations	Total
Other changes					
Liability-related					
Change in bank overdraft	0.04	-	-	-	0.04
Change in cash credits	20.94	-			20.94
New finance leases	-	-	-	6.12	6.12
Total liability-related other changes	**20.98**	**-**	**-**	**6.12**	**27.10**
Balance at the end of the year					
- Borrowings	**26.61**	**19.50**	**15.00**	**10.26**	**71.37**
- Other financial liabilities	**-**	**-**	**-**	**-**	**-**

29 TRADE PAYABLES

	As at 31 March 2019	As at 31 March 2018
Trade payables to related parties	0.05	0.05
Other trade payables	28.49	19.93
	28.54	**19.98**

All trades payables are 'current'

The Company's exposure to currency and liquidity risk related to trade payables is disclosed in note 33. Also, refer note 37 on Micro, Small and Medium Enterprises.

30 OTHER FINANCIAL LIABILITIES

	As at 31 March 2019	As at 31 March 2018
Advance from customers	0.01	0.02
Deposit from customers	0.51	0.47
Liability on account of share purchase agreement ^ ^	6.36	-
Contingent consideration*	7.16	-
Capital creditors	1.08	-
Other payables	0.84	0.24
	15.96	**0.73**
Non current	6.86	-
Current	9.10	0.73
	15.96	**0.73**

The Company's exposure to currency and liquidity risk related to above financial liabilities is disclosed in note 33.

* Payable towards acquisition of shares in Auroma Logistics Private Limited.

^ ^ INR 6.36 crores pertains to an obligation to purchase remaining 10% equity stake in Auroma Logistics Private Limited, pursuant to share purchase agreement entered with erstwhile shareholders of Auroma Logistics Private Limited.

NOTES forming part of the standalone financial statements for the year ended 31 March 2019 (Contd.)

(All amounts are in Indian Rupees in crores, except share data and as stated)

31 OTHER CURRENT LIABILITIES

	As at 31 March 2019	As at 31 March 2018
Dues to employees	2.09	3.01
Statutory dues	3.93	2.12
	6.02	**5.13**
Non current	-	-
Current	6.02	5.13
	6.02	**5.13**

32 PROVISIONS

	Non current		Current	
	As at 31 March 2019	**As at 31 March 2018**	**As at 31 March 2019**	**As at 31 March 2018**
Provision for employee benefits				
Liability for gratuity	3.17	2.09	0.35	0.28
Liability for compensated absences	1.04	0.80	0.12	0.12
	4.21	**2.89**	**0.47**	**0.40**

For details about the related employee benefit expenses, see Note 10

The Company operates the following post-employment defined benefit plans:

The Company has a defined benefit gratuity plan in India (the Plan), governed by the Payment of Gratuity Act, 1972. The Plan entitles an employee, who has rendered at least five years of continuous service, to gratuity at the rate of fifteen days wages for every completed year of service or part thereof in excess of six months, based on the rate of wages last drawn by the employee at the time of retirement, death or termination of employment. Liabilities for the same are determined through an actuarial valuation as at the reporting dates using the "projected unit cost method".

These defined benefit plans expose the Company to actuarial risks, such as longevity risk and interest rate risk.

A. Funding

The gratuity plan of the Company is an unfunded plan.

B. Reconcilaition of the net defined liability

The following table shows a reconciliation from the opening balances to the closing balances for the net defined benefit liability and its components:

Reconciliation of present value of defined benefit obligation

	As at 31 March 2019	As at 31 March 2018
Balance at the beginning of the year	2.37	1.49
Benefits paid	(0.06)	(0.28)
Current service cost	0.21	0.29
Interest cost	0.37	0.19
Actuarial (gains) losses recognised in other comprehensive income		
- changes in demographic assumptions	-	-
- changes in financial assumptions	0.48	0.49
- experience adjustments	0.15	0.19
Balance at the end of the year	**3.52**	**2.37**

NOTES forming part of the standalone financial statements for the year ended 31 March 2019 (Contd.)

(All amounts are in Indian Rupees in crores, except share data and as stated)

32 PROVISIONS (CONTD.)

C. Expense recognised in the statement of profit or loss

	Year ended 31 March 2019	Year ended 31 March 2018
Current service cost	0.21	0.29
Interest cost	0.37	0.19
	0.58	**0.48**

D. Remeasurements recognised in other comprehensive income

	Year ended 31 March 2019	Year ended 31 March 2018
Actuarial gain on defined benefit obligations	0.63	0.68
	0.63	**0.68**

E. Defined benefit obligation

i. Actuarial assumptions

Principal actuarial assumptions at the reporting date:

	As at 31 March 2019	As at 31 March 2018
Discount rate	7.50%	7.50%
Future salary growth	10.00%	7.50%
Attrition rate	**12.50%**	**12.50%**

ii. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

	As at 31 March 2019		As at 31 March 2018	
	Increase in %	Decrease in %	Increase in %	Decrease in %
Discount rate (1% movement)	(0.22)	0.24	(0.14)	0.15
Future salary growth (1% movement)	0.24	(0.22)	0.15	(0.14)
Attrition rate (1% movement)	(0.04)	0.04	(0.01)	0.01

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown

NOTES forming part of the standalone financial statements for the year ended 31 March 2019 (Contd.)

(All amounts are in Indian Rupees in crores, except share data and as stated)

33 FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT

A. Accounting classification and fair values

	Note	As at 31 March 2019			At cost	As at 31 March 2018			At cost
		FVTPL	FVOCI	Amortised cost		FVTPL	FVOCI	Amortised cost	
Financial assets not measured at fair value									
Trade receivables	19	-	-	76.69	-	-	-	55.21	-
Cash and cash equivalents	20	-	-	0.57	-	-	-	0.90	-
Other bank balances	21	-	-	0.59	-	-	-	3.72	-
Loans	23	-	-	21.76	-	-	-	12.00	-
Deposits and other receivables	22	-	-	15.35	-	-	-	9.53	-
Investments	17	-	-	-	73.66	-	-	-	15.20
Other financial assets	24	-	-	9.66	-	-	-	10.24	-
Total financial assets		**-**	**-**	**124.62**	**73.66**	**-**	**-**	**91.60**	**15.20**
Financial liabilities not measured at fair value									
Trade payables	29	-	-	28.54	-	-	-	19.98	-
Borrowings	28	-	-	71.37	-	-	-	24.52	-
Other financial liabilities	30	-	-	15.96	-	-	-	0.73	-
Total financial liabilities		**-**	**-**	**115.87**		**-**	**-**	**45.23**	**-**

Note: The Company has not disclosed fair values of financial instruments such as trade receivables, cash and bank balances, loans, deposits and other receivables, trade payables, borrowings because their carrying amounts are reasonable approximations of their fair values.

B. Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the standalone financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels as follows:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

(a) Financial assets and liabilities measured at amortised cost

The financial instruments that have been measured at amortised costs are fair valued using Level 2 hierarchy. The Company has not disclosed the fair values for certain financial instruments measured at amortised costs as such as trade receivables and payables and other items (refer note 33A), because their carrying amounts are a reasonable approximation of fair value.

	As at 31 March 2019			As at 31 March 2018		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets not measured at fair value						
Deposits and other receivables	-	15.35	-	-	9.53	-
	-	**15.35**	**-**	**-**	**9.53**	**-**

NOTES forming part of the standalone financial statements for the year ended 31 March 2019 (Contd.)

(All amounts are in Indian Rupees in crores, except share data and as stated)

33 FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT (CONTD.)

C. Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- credit risk;
- liquidity risk; and
- market risk

i. Risk management framework

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors along with the top management are responsible for developing and monitoring the Company's risk management policies.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

ii. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers; loans and investments.

The carrying amounts of financial assets represent the maximum credit risk exposure.

Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The Company establishes an allowance for doubtful debts and impairment that represents its estimate of incurred losses in respect of the Company's trade receivables, certain loans and advances and other financial assets.

The maximum exposure to credit risk for trade and other receivables are as follows:

	Carrying amount	
	As at 31 March 2019	**As at 31 March 2018**
Trade receivables	76.69	55.21
Cash and bank balances	0.57	0.90
Other bank balances	0.59	3.72
Loans	21.76	12.00
Investments	73.66	15.20
Deposits and other receivables (excluding unbilled revenue)	15.35	9.53
Other financial assets	9.66	10.24
Total	**198.28**	**106.80**

Trade and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment.

Exposures to customers outstanding at the end of each reporting period are reviewed by the Company to determine incurred and expected credit losses. Given that the macro economic indicators affecting customers of the Company have not undergone any substantial change, the Company expects the historical trend of minimal credit losses to continue. Further, management believes that the unimpaired amounts that are past due by more than 30 days are still collectible in full except to the extent already provided, based on historical

NOTES forming part of the standalone financial statements for the year ended 31 March 2019 (Contd.)

(All amounts are in Indian Rupees in crores, except share data and as stated)

33 FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT (CONTD.)

payment behavior and extensive analysis of customer credit risk. The impairment loss at the reporting dates related to several customers that have defaulted on their payments to the Company and are not expected to be able to pay their outstanding balances, mainly due to economic circumstances.

The Company determines credit risk based on a variety of factors including but not limited to the age of the receivables, cash flow projections and available press information about customers. In order to calculate the loss allowance, loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency through write-off. Roll rates are calculated separately for exposures in different stages of delinquency primarily determined based on the time period for which they are past due.

Receivables from customers that individually constituted more than 10% of the Company's receivables are as follows:

	As at 31 March 2019	As at 31 March 2018
Customer A	10.05	12.01
Customer B	9.34	8.23
Customer C	8.27	7.49
	27.66	**27.73**

The ageing of trade receivables that were not impaired as at the reporting date was:

As at 31 March 2019

	Gross carrying amount	Weighted-average loss rate	Loss allowance	Whether credit -impaired
Not due	36.10	0.00%	-	No
Past due 1-90 days	32.46	0.00%	-	No
Past due 90-180 days	5.14	0.00%	-	No
Past due 181-270 days	1.18	0.00%	-	No
Past due 271-365 days	1.95	7.18%	(0.14)	No
Past due for more than 365 days	0.52	100.00%	(0.52)	No
Total	**77.35**		**(0.66)**	

As at 31 March 2018

	Gross carrying amount	Weighted-average loss rate	Loss allowance	Whether credit -impaired
Not due	29.05	0.00%	-	No
Past due 1-90 days	20.85	0.00%	-	No
Past due 90-180 days	4.45	0.00%	-	No
Past due 181-270 days	0.86	0.00%	-	No
Past due 271-365 days	-	0.00%	-	No
Past due for more than 365 days	0.18	100.00%	(0.18)	No
Total	**55.39**		**(0.18)**	

NOTES forming part of the standalone financial statements for the year ended 31 March 2019 (Contd.)

(All amounts are in Indian Rupees in crores, except share data and as stated)

33 FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT (CONTD.)

Movements in the allowance for impairment in respect of trade receivables and loans

The movement in the allowance for impairment in respect of trade receivables is as follows:

	As at 31 March 2019	As at 31 March 2018
Balances at 1 April	0.18	0.15
Provision for the year	0.48	0.03
Balance at 31 March	**0.66**	**0.18**

Cash and bank balances (includes amounts classified under other bank balances and deposits and other receivables

The Company holds cash and bank balances of INR 1.16 at 31 March 2019 (31 March 2018: INR 4.62). The credit worthiness of such banks and financial institutions are evaluated by the management on an ongoing basis and is considered to be good.

Security deposits

This balance is primarily constituted by deposit given in relation to leasehold premises occupied by the Company for carrying out its operations. The Company does not expect any losses from non-performance by these counter-parties.

iii. 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, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company uses activity-based costing to cost its products and services, which assists it in monitoring cash flow requirements and optimising its cash return on investments.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments and exclude the impact of netting agreements:

	Carrying amount	Contractual cash flows					
		Gross	6 months or less	6-12 months	1-2 years	2-5 years	More than 5 years
As at 31 March 2019							
Non derivative financial liabilities							
Loans from banks	61.11	63.96	46.81	0.70	8.57	7.88	-
Finance lease obligations	10.26	12.80	1.28	1.28	2.56	7.68	-
Trade payables	28.54	28.54	28.54	-	-	-	-
Other financial liabilities	15.96	19.29	3.86	5.58	0.50	9.35	-
	115.87	**124.59**	**80.49**	**7.56**	**11.63**	**24.91**	**-**
As at 31 March 2018							
Non derivative financial liabilities							
Loans from banks	19.63	19.63	19.63	-	-	-	-
Finance lease obligations	4.89	4.89	0.32	0.34	0.73	3.50	
Trade payables	19.98	19.98	19.98	-	-	-	-
Other financial liabilities	0.73	0.73	0.73	-	-	-	-
	45.23	**45.23**	**40.66**	**0.34**	**0.73**	**3.50**	**-**

NOTES forming part of the standalone financial statements for the year ended 31 March 2019 (Contd.)

(All amounts are in Indian Rupees in crores, except share data and as stated)

33 FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT (CONTD.)

iv. Market risk

Market risk is the risk that changes in market prices - such as foreign exchange rates and interest rates will affect the Companies income or the value of holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters and optimising the return.

The following table analyzes foreign currency risk from financial instruments:

	As at 31 March 2019		As at 31 March 2018	
	INR	**USD**	**INR**	**USD**
Financial assets:				
Trade receivables	67.57	9.12	46.62	8.59
Investments	73.66	-	15.20	-
Loans	21.76	-	12.00	-
Cash and cash equivalents	0.57	-	0.90	-
Other bank balances	0.59	-	3.72	-
Deposits and other receivables	15.35	-	9.53	-
Other financial assets	8.47	1.19	10.24	-
Financial liabilities:				
Borrowings	(71.37)	-	(24.52)	-
Trade payables	(28.54)	-	(19.98)	-
Other financial liabilities	(15.96)	-	(0.73)	
Net assets / (liabilities)	**72.10**	**10.31**	**52.98**	**8.59**

Sensitivity analysis

A reasonably possible strengthening (weakening) of INR against US dollar at 31 March 2019 and 31 March 2018 would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

	Profit / (loss)		Equity, net of tax	
	Strengthening	**Weakening**	**Strengthening**	**Weakening**
31 March 2019				
USD (1% movement)	(0.10)	0.10	-	-
31 March 2018				
USD (1% movement)	**(0.09)**	**0.09**	**-**	**-**

Interest rate risk

The Company has only one type of variable rate instrument i.e. cash credit facility being used for cash management purposes. Company's exposure to variable rate instruments is insignificant.

Exposure to interest rate risk

The interest rate profile of the Company's interest-bearing financial instruments is as follows:

Variable-rate instruments

	As at 31 March 2019	As at 31 March 2018
Fixed rate instruments		
Financial assets - Loans	21.76	12.00
Financial assets - Finance lease receivable	5.44	5.44
Financial liabilities- Term Loan	(15.00)	-
Financial liabilities- Working capital demand loan	(19.50)	(14.00)
Financial liabilities- Finance lease obligation	(10.26)	(4.89)
	(17.56)	**(1.45)**
Financial liabilities- Secured loan	(26.61)	(5.63)
	(26.61)	**(5.63)**

NOTES forming part of the standalone financial statements for the year ended 31 March 2019 (Contd.)

(All amounts are in Indian Rupees in crores, except share data and as stated)

33 FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT (CONTD.)

Cash flow sensitivity analysis for variable rate instruments

A reasonable possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

	Effect on profit and loss before tax	
	Strengthening	**Weakening**
31 March 2019		
Variable-rate instrument	(0.27)	0.27
Cash flow sensitivity (net)	**(0.27)**	**0.27**
31 March 2018		
Variable-rate instrument	(0.06)	0.06
Cash flow sensitivity (net)	**(0.06)**	**0.06**

34 OPERATING LEASES

A. Leases as lessee

The Company has taken on lease a number of offices and warehouse facilities under cancellable operating leases. The leases are for varied periods, which are renewable at the option of the Company.

i. Amounts recognised in profit or loss

	As at 31 March 2019	As at 31 March 2018
Lease expense	**47.10**	**35.87**

35 CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

	As at 31 March 2019	As at 31 March 2018
Estimated amount of contracts remaining to be executed on capital account and not provided	0.19	3.15
Contingent liabilities:		
Bank guarantees issued	**7.00**	**-**

36 RELATED PARTIES

A. Names of related parties and description of relationship

Nature of Relationship	Name of the Party
Holding company	Redington (India) Limited
Subsidiary company	Rajprotim Supply Chain Solutions Limited (RCS)
	Auroma Logistics Private Limited (from 6 March 2019)
Fellow Subsidiaries	Ensure Support Services (India) Limited
Holding company's trust	Foundation for CSR @ Redington
Key Management Personnel	Mr. E.H. Kasturi Rangan (Director)
	Dr. R. Arunachalam, Chief Executive Officer (CEO)
	Mr. Kasi Viswanathan P.S, Chief Finance Officer (CFO)

NOTES forming part of the standalone financial statements for the year ended 31 March 2019 (Contd.)

(All amounts are in Indian Rupees in crores, except share data and as stated)

36 RELATED PARTIES (CONTD.)

B. Transaction with key management personnel

Key management personnel of the Company comprise of the Board of Directors and key members of management having authority and responsibility for planning, directing and controlling the activities of the Company. The key management personnel compensation during the year are as follows:

	Director	CEO	CFO	Total
For the year ended 31 March 2019				
Short term employee benefits	-	0.78	0.43	1.21
Post-employment defined benefits	-	*	*	*
Compensated absences	-	*	*	*
Stock Compensation expense	-	0.22	0.13	0.35
Sitting fees	0.05	-	-	0.05
Total	**0.05**	**1.00**	**0.56**	**1.61**
For the year ended 31 March 2018				
Short term employee benefits	-	0.74	0.40	1.14
Post-employment defined benefits	-	*	*	*
Compensated absences	-	*	*	*
Stock Compensation expense	-	0.06	0.03	0.09
Sitting fees	0.01	-	-	0.01
Total	**0.01**	**0.80**	**0.43**	**1.24**

Compensation of the Company's key management personnel includes salaries, non-cash benefits and contributions to post-employment defined benefit plan (see Note 10).

* Amount attributable to post employment benefits and compensated absences have not been disclosed as the same cannot be identified distinctly in the actuarial valuation.

C. Related party transactions other than those with key management personnel

	Transaction value		Balance outstanding	
	Year ended 31 March 2019	Year ended 31 March 2018	As at 31 March 2019	As at 31 March 2018
Sale of goods and services				
Holding Company	65.39	67.91	9.34	7.49
Rental Expenses				
Holding company	3.18	2.41	0.49	-
Ensure Support Services India Limited	0.28	0.32	-	0.03
Service charges				
Holding company	0.22	0.69	-	-
Ensure Support Services India Limited	0.07	0.08	-	0.02
Interest expense				
Holding company	0.04	0.58	-	-
Reimbursement of expenses				
Ensure Support Services India Limited	-	0.01	-	-
Interest Income				
Subsidiary Company - RCS	0.53	-	0.07	-
Proceeds from issue of equity shares				
Holding company	25.00	-	-	-
Loan taken				
Holding company	5.00	14.00	-	-
Loan repaid				
Holding company	5.00	24.00	-	-
Dividend paid				
Holding company	4.35	3.62	-	-
Loan given				
Subsidiary Company - RCS	21.97	-	9.76	-
Repayment of loan given				
Subsidiary Company - RCS	12.21	-	-	-

NOTES forming part of the standalone financial statements for the year ended 31 March 2019 (Contd.)

(All amounts are in Indian Rupees in crores, except share data and as stated)

37 DUE TO MICRO, SMALL AND MEDIUM ENTERPRISES

Under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) which came into force from 2 October 2006, certain disclosures are required to be made relating to dues to micro, small and medium enterprises (MSME). On the basis of the information and records available with the management, none of the Company's suppliers are covered under the MSMED and accordingly, disclosure of information relating to principal, interest accruals and payments are not applicable.

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
(a) the principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier at the end of each accounting year;	-	-
(b) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
(c) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
(d) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
(e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

38 STOCK APPRECIATION RIGHTS

A. Details of Stock Appreciation Rights

On 30 December 2017, Redington (India) Limited ('the Holding Company') granted 1,104,000 Stock Appreciation Rights (SARs) to the eligible employees and directors of the Company under the Redington Stock Appreciation Right Scheme, 2017 ('SAR Scheme'). The SAR scheme was duly approved by the Board of Directors and the Shareholders of the Holding Company pursuant to which the shares of the Holding Company will be issued to the eligible employees and directors of the Company.

Each SAR entitles the employees and directors to receive equity shares of the Company equivalent to the increase in value of one equity share ('Appreciation') of the holding company. Appreciation is calculated by reducing the issue price / base price from the reported closing price of the equity shares of the holding company in the NSE / BSE where there is highest trading, on the day prior to the date of exercising of these SARs and multiplying the resultant with the number of SARs exercised.

These SARs vest over a period of 3 years from the date of the grant in the following manner:

10% of the SARs vest after a period of one year from the grant date, 20% of the SARs vest after a period of two years from the grant date and 70% of the SARs vest after a period of three years from the grant date. These SARs are exercisable within a period of three years from the respective date of vesting.

Certain SARs granted to the members of senior management team as identified by the Nomination and Remuneration committee of the Holding Company have an associated performance condition. Of the total SARs granted to senior management team, 35% of the SARs that would vest at the end of 3 years from the date of the grant are subject to these performance condition.

NOTES forming part of the standalone financial statements for the year ended 31 March 2019 (Contd.)

(All amounts are in Indian Rupees in crores, except share data and as stated)

38 STOCK APPRECIATION RIGHTS (CONTD.)

B. Measurement of fair values

The fair value of these SARs were determined based on the grant date fair values using the Black Scholes model. The fair value of the options and inputs as determined by the holding company and used in the measurement of the grant date fair values of the equity settled SARs are as follows:

Particulars	31 March 2019	31 March 2018
Fair value at grant date (weighted-average) *	INR 71.99 per SAR	INR 71.99 per SAR
Share price at grant date *	INR 174.60 per share	INR 174.60 per share
Base price / Exercise price *	INR 148.50 per SAR	INR 148.50 per SAR
Expected volatility (weighted-average) *	35.72%	35.72%
Expected life (weighted-average) *	4.10 years	4.10 years
Expected dividends *	1.20%	1.20%
Risk-free interest rate (weighted-average) *	7.02%	7.02%

Expected volatility has been based on an evaluation of the historical volatility of the holding company's share prices. The expected term of the instruments has been determined based on the average of vesting period and the contractual term of the instruments.

* All the above inputs have been determined by the Holding Company basis the underlying information applicable in respect of the Holding Company.

C. Reconciliation of outstanding share options

The number and weighted-average exercise prices of SARs under the share option plan were as follows:

Particulars	Number of SARs	
	31 March 2019	31 March 2018
Outstanding as at 01 April	1,104,000	-
Add: Granted during the year	-	1,104,000
Less: Exercise during the year	-	-
Less: Forfeited during the year	-	-
Outstanding as at 31 March	1,104,000	1,104,000
SARs exercisable at the end of the year	Nil	Nil

The SARs outstanding as at 31 March 2019 and 31 March 2018 have a base price / exercise price of INR 148.50 per SAR and a weighted average remaining contractual life of 2.85 years (31 March 2018: 3.85 years). No SARs were exercised during the year.

D. Expense recognized in statement of profit and loss

The Company has recognized costs with respect to those SARs which were issued to the employees and directors of the Company in the statement of profit and loss as employee benefit expenses. For details on the employee benefit expenses refer note 10. The corresponding credits are accumulated in capital reserve. For details refer note 26B.

39 SUBSEQUENT EVENTS

There are no significant subsequent events that have occurred after the reporting period till the date of this financial statements.

As per our report of even date
For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No. 101248W/W-100022

S Sethuraman
Partner
Membership No. 203491

Place: Chennai
Date : 20 May 2019

For and on behalf of the board of directors of
ProConnect Supply Chain Solutions Limited
CIN: U63030TN2012PLC087458

Kasturi Rangan E.H
Director
DIN: 01814089

Krishnan S.V
Director
DIN: 07518349

Arunachalam R
Chief Executive Officer

Kasi Viswanathan P.S
Chief Financial Officer

Vignesh Kumar S M
Company Secretary

Place: Chennai
Date : 20 May 2019

INDEPENDENT AUDITOR'S REPORT

To the Members of

ProConnect Supply Chain Solutions Limited

REPORT ON THE AUDIT OF CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the consolidated financial statements of ProConnect Supply Chain Solutions Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated balance sheet as at 31 March 2019, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements of such subsidiaries as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2019, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

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

Other Information

The Holding Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's annual report, but does not include the consolidated financial statements and our auditor's report thereon. The Holding Company's annual report is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

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

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

INDEPENDENT AUDITOR'S REPORT (Contd.)

The respective Board of Directors of the companies included in the Group is responsible for overseeing the financial reporting process of each company.

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group (company and subsidiaries) to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group to express an opinion on the consolidated financial statements, of which we are the independent auditors. We are responsible for the direction, supervision and performance of the audit of financial information of such entities. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in para (a) of the section titled 'Other Matters' in this audit report.

We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

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

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

Other Matters

(a) We did not audit the financial information of two subsidiaries whose financial statements reflect total assets of INR 116.46 crores as at 31 March 2019, total revenues of INR130.92 cores and net cash flows amounting to INR (11.38) crores for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as

INDEPENDENT AUDITOR'S REPORT (Contd.)

it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the audit reports of the other auditors.

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

Report on Other Legal and Regulatory Requirements

A. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such subsidiaries as were audited by other auditors, as noted in the 'Other Matters' paragraph, we report, to the extent applicable, that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

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

c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under section 133 of the Act.

e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2019 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

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

i. There were no pending litigations as at 31 March 2019 which would impact the consolidated financial position of the Group.

ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2019.

iii. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company or its subsidiary companies incorporated in India during the year ended 31 March 2019.

iv. The disclosures in the consolidated financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in the financial statements since they do not pertain to the financial year ended 31 March 2019.

C. With respect to the matter to be included in the Auditor's report under section 197(16):

In our opinion and according to the information and explanations given to us and based on the reports of the statutory auditors of such subsidiary companies incorporated in India which were not audited by us, the remuneration paid during the current year by the Holding Company and its subsidiary companies to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company and its subsidiary companies is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

for **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No. -101248W/W-100022

S Sethuraman
Partner
Membership No. 203491

Place : Chennai
Date : 20 May 2019

Annexure A to the Independent Auditor's report on the consolidated financial statements of ProConnect Supply Chain Solutions Limited for the year ended 31 March 2019

REPORT ON THE INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE AFORESAID CONSOLIDATED FINANCIAL STATEMENTS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013

(Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2019, we have audited the internal financial controls with reference to consolidated financial statements of ProConnect Supply Chain Solutions Limited (hereinafter referred to as "the Holding Company") and such companies incorporated in India under the Companies Act, 2013 which are its subsidiary companies as of that date.

In our opinion, the Holding Company and such companies incorporated in India which are its subsidiary companies have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2019, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such 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 (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The respective Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the respective Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. 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 with reference to consolidated financial statements were 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 with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

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

Meaning of Internal Financial controls with Reference to consolidated financial statements

A company's internal financial controls with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;

Annexure A to the Independent Auditor's report on the consolidated financial statements of ProConnect Supply Chain Solutions Limited for the year ended 31 March 2019 (Contd.)

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company ; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial controls with Reference to consolidated financial Statements

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

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to two subsidiary companies which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India. Our opinion is not modified in respect of this matter.

for **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No. -101248W/W-100022

S Sethuraman
Partner
Membership No. 203491

Place : Chennai
Date : 20 May 2019

ProConnect Integrated Logistics
a Redington company

CONSOLIDATED BALANCE SHEET as at 31 March 2019

(All amounts are in Indian Rupees in crores, except share data and as stated)

	Note	As at 31 March 2019	As at 31 March 2018
Assets			
Non-current assets			
Property, plant and equipment	15	19.80	11.60
Goodwill	16	19.34	-
Other intangible assets	16	22.81	3.93
Intangible asset under development		-	2.20
Financial assets			
Deposits and other receivables	21	15.52	10.11
Other financial assets	23	4.59	8.59
Deferred tax assets (net)	14	0.81	2.91
Income tax assets (net)		2.88	1.07
Other non-current assets	24	5.17	3.78
Total non-current assets		**90.92**	**44.19**
Current assets			
Inventories	17	-	-
Financial assets			
Trade receivables	18	122.70	87.34
Cash and cash equivalents	19	4.73	0.98
Other bank balances	20	4.26	3.72
Loans	22	12.00	12.00
Deposits and other receivables	21	7.46	2.56
Other financial assets	23	5.02	1.65
Other current assets	24	63.58	20.71
Total current assets		**219.75**	**128.96**
Total assets		**310.67**	**173.15**
Equity and liabilities			
Equity			
Equity share capital	25A	9.08	7.24
Other equity	25B		
Securities premium		35.47	12.31
Retained earnings		81.20	60.17
Capital reserve		3.31	0.67
Others (including items of other comprehensive income)		(7.15)	(0.36)
Equity attributable to owners of the Company		**121.91**	**80.03**
Non-controlling interests	32	7.27	6.22
Total equity		**129.18**	**86.25**
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	27	23.60	4.23
Other financial liabilities	29	6.86	-
Provisions	31	4.51	2.96
Deferred tax liability (net)	14	1.21	-
Total non-current liabilities		**36.18**	**7.19**
Current liabilities			
Financial liabilities			
Borrowings	27	79.36	40.80
Trade payables	28		
Total outstanding dues to micro enterprises and small enterprises and		-	-
Total outstanding dues to creditors other than micro enterprises and small enterprises		46.39	28.61
Other financial liabilities	29	9.19	0.78
Provisions	31	0.49	0.40
Income tax liabilities (net)		0.49	0.63
Other current liabilities	30	9.39	8.49
Total current liabilities		**145.31**	**79.71**
Total liabilities		**181.49**	**86.90**
Total equity and liabilities		**310.67**	**173.15**
Significant accounting policies	3		

The notes referred to above form an integral part of consolidated financial statements

As per our report of even date
For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No. 101248W/W-100022

S Sethuraman
Partner
Membership No. 203491

Place: Chennai
Date : 20 May 2019

For and on behalf of the board of directors of
ProConnect Supply Chain Solutions Limited
CIN: U63030TN2012PLC087458

Kasturi Rangan E.H
Director
DIN: 01814089

Krishnan S.V
Director
DIN: 07518349

Arunachalam R
Chief Executive Officer

Kasi Viswanathan P.S
Chief Financial Officer

Vignesh Kumar S M
Company Secretary

Place: Chennai
Date : 20 May 2019

CONSOLIDATED PROFIT & LOSS ACCOUNT

for year ended 31 March 2019

(All amounts are in Indian Rupees in crores, except share data and as stated)

	Note	Year ended 31 March 2019	Year ended 31 March 2018
Revenue			
Revenue from operations	6	397.40	316.51
Other income	7	6.06	4.13
Total income		**403.46**	**320.64**
Expenses			
Purchase of spares	8	0.07	0.87
Changes in inventories of spares	9	-	-
Employee benefits expense	10	34.02	26.61
Finance costs	11	6.98	2.60
Depreciation and amortisation expense	12	7.12	5.61
Other expenses	13	311.27	243.35
Total expenses		**359.46**	**279.04**
Profit before tax		44.00	41.60
Income tax expense	14		
Current tax		13.95	15.36
Deferred tax		(0.65)	(1.09)
Income tax expense		**13.30**	**14.27**
Profit for the year		**30.70**	**27.33**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurements of the defined benefit liability		(0.61)	(0.69)
Income tax relating to the above		0.18	0.24
Net other comprehensive income that will not be reclassified to profit or loss		**(0.43)**	**(0.45)**
Other comprehensive income for the year, net of income tax		**(0.43)**	**(0.45)**
Total comprehensive income for the year		**30.27**	**26.88**
Profit attributable to			
Owners of the Company		29.54	26.20
Non-controlling interests		1.16	1.13
Profit for the year		**30.70**	**27.33**
Other comprehensive income attributable to			
Owners of the Company		(0.43)	(0.45)
Non-controlling interests		-	-
Other comprehensive income for the year		**(0.43)**	**(0.45)**
Total comprehensive income attributable to			
Owners of the Company		29.11	25.75
Non-controlling interests		1.16	1.13
Total comprehensive income for the year		**30.27**	**26.88**
Earnings per share			
Basic and diluted earnings per share (in Indian Rupees)	26	40.06	36.18
Significant accounting policies	3		

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Place: Chennai
Date : 20 May 2019

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2019

(All amounts are in Indian Rupees in crores, except share data and as stated)

Particulars	Amount	No. of shares
(a) Equity share capital		
Equity shares of ₹10 each issued, subscribed and fully paid		
Balance as at 1 April 2017	7.24	7,243,230
Shares issued during the year	-	-
Balance as at 31 March 2018	**7.24**	**7,243,230**
Shares issued during the year	1.84	1,838,235
Balance as at 31 March 2019	**9.08**	**9,081,465**

(b) Other equity

	Reserves and surplus			Others		Total equity attributable to equity holders of the Company	Attributable to NCI	Total
	Securities premium	Retained earnings	Capital reserve	Other equity	Other items of other comprehensive income			
Balance as at 1 April 2017	**12.31**	**38.33**	**-**	**0.38**	**(0.29)**	**50.73**	**3.41**	**54.14**
Total comprehensive income for the year ended 31 March 2018								
Profit for the year	-	26.20	-	-	-	26.20	1.13	27.33
Other comprehensive income for the year	-	-	-	-	(0.45)	(0.45)	-	(0.45)
Total comprehensive income	**-**	**26.20**	**-**	**-**	**(0.45)**	**25.75**	**1.13**	**26.88**
Contributions and distributions from / (to) owners								
Stock compensation cost			0.67	-	-	0.67	-	0.67
Dividend, including corporate dividend tax	-	(4.36)	-	-	-	(4.36)	-	(4.36)
Issue of shares to non-controlling interests	-	-	-	-	-	-	**1.68**	**1.68**
Total contributions and distributions from / (to) owners	**-**	**(4.36)**	**0.67**	**-**	**-**	**(3.69)**	**1.68**	**(2.01)**
Balance as at 31 March 2018	**12.31**	**60.17**	**0.67**	**0.38**	**(0.74)**	**72.79**	**6.22**	**79.01**
Balance as at 1 April 2018	**12.31**	**60.17**	**0.67**	**0.38**	**(0.74)**	**72.79**	**6.22**	**79.01**
Total comprehensive income for the year ended 31 March 2019								
Profit for the year	-	29.54	-	-	-	29.54	1.16	30.70
Other comprehensive income for the year	-	-	-	-	(0.43)	(0.43)	-	(0.43)
Total comprehensive income	**-**	**29.54**	**-**	**-**	**(0.43)**	**29.11**	**1.16**	**30.27**
Contributions and distributions from / (to) owners								
Securities premium on shares issued during the year	23.16	-	-	-	-	23.16	-	23.16
Stock compensation cost	-	-	2.64	-	-	2.64	-	2.64
Dividend, including corporate dividend tax	-	**(5.24)**	-	-	-	**(5.24)**	-	**(5.24)**
Total contributions and distributions from / (to) owners	**23.16**	**(5.24)**	**2.64**	**-**	**-**	**20.56**	**-**	**20.56**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the year ended 31 March 2019 (Contd.)

(b) Other equity

	Reserves and surplus			Others		Total equity attributable to equity holders of the Company	Attributable to NCI	Total
	Securities premium	Retained earnings	Capital reserve	Other equity	Other items of other comprehensive income			
Changes in ownership interests in subsidiaries that do not result in loss of control								
Acquisition of non-controlling interests	-	(3.27)	-		-	(3.27)	(3.50)	(6.77)
Acquisition of Auroma Logistics Private Limited	-	-	-	-	-	-	3.39	3.39
Forward contract entered with vv	-	-	-	(6.36)	-	(6.36)	-	(6.36)
Total changes in ownership interests in subsidiaries	-	**(3.27)**	-	**(6.36)**	-	**(9.63)**	**(0.11)**	**(9.74)**
Total transactions with owners	**23.16**	**(8.51)**	**2.64**	**(6.36)**	-	**10.93**	**(0.11)**	**10.82**
Balance as at 31 March 2019	**35.47**	**81.20**	**3.31**	**(5.98)**	**(1.17)**	**112.83**	**7.27**	**120.10**

Significant accounting policies 3

The notes referred to above form an integral part of financial statements

As per our report of even date
For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No. 101248W/W-100022

S Sethuraman
Partner
Membership No. 203491

Place: Chennai
Date : 20 May 2019

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Vignesh Kumar S M
Company Secretary

Place: Chennai
Date : 20 May 2019

CONSOLIDATED STATEMENT OF CASH FLOW
for the year ended 31 March 2019

(All amounts are in Indian Rupees in crores, except share data and as stated)

	Year ended 31 March 2019	Year ended 31 March 2018
Cash flows from operating activities		
Profit before taxes	44.00	41.60
Adjustments for:		
Depreciation and amortisation	7.12	5.61
Provision for doubtful debts	0.48	0.03
Gain on sale of property, plant and equipment	(0.06)	(0.01)
Finance costs	6.98	2.60
Stock compensation expense	2.64	0.67
Interest income on security deposits at amortised cost	(1.49)	(0.57)
Prepayment of rent	0.43	-
Interest income on cash and cash equivalents and loans	(1.19)	(1.23)
	58.91	**48.70**
Working capital adjustments:		
(Increase) / decrease in inventories	-	-
Increase in trade receivables	(29.26)	(45.22)
(Increase) / decrease in deposits and other receivables	(7.22)	4.80
(Increase) / decrease in other current / non-current financial assets	(2.41)	0.09
Decrease in other current / non current assets	(43.52)	(21.29)
Increase in trade payable and other financial liabilities	17.78	14.42
Increase in provisions and other current liabilities	1.55	5.54
Cash generated from operating activities	**(4.17)**	**7.04**
Income tax paid (net)	(15.27)	(14.98)
Net cash (used in) / generated from operating activities (A)	**(19.44)**	**(7.94)**
Cash flow from investing activities		
Interest received	0.59	1.23
Proceeds from sale of property, plant and equipment	0.06	(0.03)
Acquisition of property, plant and equipment	(8.17)	(10.77)
Loans given to Body Corporates	-	(2.00)
Acquisition of subsidary, net of cash and cash equivalents acquired	(33.78)	-
Investments in bank deposits with original maturity of more than 3 months	-	(0.48)
Investment in subsidiaries	3.07	(0.72)
Net cash used in investing activities (B)	**(38.23)**	**(12.77)**
Cash flows from financing activities		
Proceeds from issue of share capital (including securities premium)	25.00	-
Proceeds from issue of shares in subsidiary to non-controlling interest	-	1.68
Proceeds from long-term borrowings	15.00	-
Proceeds from short term borrowings from related parties	5.00	14.00
Repayment of short term borrowings to related parties	(5.00)	(24.00)
Acquisition of non-controlling interests	(3.17)	-
Net proceeds / (repayment) of other short term borrowings	15.95	16.00
Payment/new lease of finance lease obligations	(0.75)	(0.21)
Net proceeds from finance lease obligations	-	0.13
Interest paid	(6.98)	(2.49)
Dividend paid (and related dividend distribution tax)	(5.24)	(4.36)
Net cash generated from financing activities (C)	**39.81**	**0.75**
Net decrease in cash and cash equivalents (A+B+C)	**(17.86)**	**(19.96)**
Cash and cash equivalents as at 1 April	(23.16)	(3.20)
Cash and cash equivalents as at 31 March (refer note 19)	(41.02)	(23.16)

Significant accounting policies 3

The notes referred to above form an integral part of financial statements

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For **B S R & Co. LLP**
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Chief Executive Officer

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Vignesh Kumar S M
Company Secretary

Place: Chennai
Date : 20 May 2019

NOTES forming part of the consolidated financial statements for the year ended 31 March 2019

1 BACKGROUND

ProConnect Supply Chain Solutions Limited ("ProConnect"/"the Company") incorporated on 31 August 2012 is a wholly owned subsidiary of Redington (India) Limited ("Redington"). These consolidated financial statements comprise the Company and its two subsidiaries namely Rajprotim Supply Chain Solutions Limited & Auroma Logistics Private Limited (collectively referred to as the "Group"). The Group is engaged in the business of comprehensive Supply Chain Management ("SCM"), providing total logistic solutions services including warehousing management and allied services for various corporate customers.

2 BASIS OF PREPARATION

2.1 Statement of compliance

The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules 2015, as amended from time to time, notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

These consolidated financial statements were authorised for issue by the Group's Board of Directors on 20 May 2019.

Details of the Group's accounting policies are included in Note 3.

2.2 Functional and presentation currency

These consolidated financial statements are presented in Indian Rupees (INR), which is also the Company's and Subsidiary's functional currency. All amounts have been rounded-off to the nearest crores, unless otherwise stated.

2.3 Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for the following items:

Items	Measurement basis
Certain financial assets and liabilities	Fair value
Net defined benefit liability	Present value of defined benefit obligations
Contingent consideration in business combination	Fair value

2.4 Use of estimates and judgements

In preparing these consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the consolidated financial statements is included in the following notes:

- Note 5 - Revenue: whether the Group acts as an agent rather than as a principal in a transaction;
- Note 23 - lease classification; and
- Note 37 - consolidation

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ended 31 March 2019 is included in the following notes:

- Note 32 – measurement of defined benefit obligations: key actuarial assumptions;

- Note 33 – impairment of financial assets; and

- Note 41A – Business combinations; fair value of consideration transferred and fair value of assets acquired and liabilities assumed;

2.5 Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group has an established framework with respect to the measurement of fair values. The Group regularly reviews significant unobservable inputs and valuation adjustments. If third party information, is used to measure fair values, then the Group assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

NOTES forming part of the consolidated financial statements for the year ended 31 March 2019 (Contd.)

When measuring the fair values of an asset or a liability, the Group uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfer between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:

- Note 33 – financial instruments

3 SIGNIFICANT ACCOUNTING POLICIES

3.1 Basis of consolidation

i. Business combinations

Business combinations (other than common control business combinations) on or after 1 April 2015

The Group has elected to apply the relevant Ind AS, viz. Ind AS 103, Business Combinations, restrospectively to those business combinations that occurred on or after 1 April 2015. In accordance with Ind AS 103, the Group accounts for these business combinations using the acquisition method when control is transferred to the Group. The consideration transferred for the business combination is generally measured at fair value as at the date the control is acquired (acquisition date), as are the net identifiable assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in OCI and accumulated in equity as capital reserve if there exists clear evidence of the underlying reasons for classifying the business combination as resulting in a bargain purchase; otherwise the gain is recognised directly in equity as capital reserve. Acquisition related costs are expensed as incurred.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships with the acquiree. Such amounts are generally recognised in profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured subsequently and settlement is accounted for within equity. Other contingent consideration is remeasured at fair value at each reporting date and changes in the fair value of the contingent consideration are recognised in profit or loss.

If share-based payment awards (replacement awards) are required to be exchanged for awards held by the acquiree's employees (acquiree's awards), then all or a portion of the amount of the acquirer's replacement awards is included in measuring the consideration transferred in the business combination. The determination of the amount to be included in consideration transferred is based on the market-based measure of the replacement awards compared with the market-based measure of the acquiree's awards and the extent to which the replacement awards relate to pre-combination service.

If a business combination is achieved in stages, any previously held equity interest in the acquiree is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or OCI, as appropriate.

Business combinations (other than common control business combinations) before 1 April 2015

In respect of such business combinations, goodwill represents the amount recognised under the Group's previous accounting framework under Indian GAAP.

ii. Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those retuns through its power over the entity. The financial statements of subsidiareis are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

iii. Non-controlling interests (NCI)

An entity has a choice on a combination-by-combination basis to measure any NCI that represents present ownership interest in the acquiree at either fair value or the proportionate share of the acquiree's net identifiable assets. In respect of business combinations effected so far, the Group has elected one of the two approaches on a combination by combination basis.

Changes in the Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

NOTES forming part of the consolidated financial statements for the year ended 31 March 2019 (Contd.)

iv. Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated.

v. Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any interest retained in the former subsidiary is measured at fair value at the date the control is lost. Any resulting gain or loss is recognised in profit or loss.

3.2 Foreign currency transactions

Transactions in foreign currencies are translated into the functional currency of the Group, at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences are recognised in profit or loss.

3.3 Financial instruments

i. Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

ii. Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at

- amortised cost; (or)
- FVTPL

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Group changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

– the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and

– the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortised cost as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign

NOTES forming part of the consolidated financial statements for the year ended 31 March 2019 (Contd.)

exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

iii. Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the group enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Group also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

iv. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

v. Derivative financial instruments

The Group uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments and highly probable forecast transactions. The Group does not hold derivative financial instruments for speculative purposes. Forward contracts are recognised at fair value on the date the contract is entered into and are subsequently remeasured at fair value.

3.4 Property, plant and equipment

i. Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

ii. Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

iii. Depreciation

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight-line method, and is generally recognised in the statement of profit and loss. Assets accquired under finance lease is depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term.

The estimated useful lives of items of property, plant and equipment are as follows:

Asset	Management estimate of useful life	Useful life as per Schedule II
Plant and equipment	5 years	15 years
Computer and accessories	3 years	3 years
Furniture and fixtures	4 years	10 years
Office equipment	5 years	5 years
Vehicles	5 years	10 years

NOTES forming part of the consolidated financial statements for the year ended 31 March 2019 (Contd.)

Depreciation method, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate. Based on technical evaluation and consequent advice, the management believes that its estimates of useful lives as given above best represent the period over which management expects to use these assets and are different from those prescribed in Schedule II of Companies Act.

Individual assets whose cost does not exceed INR 5,000/- are fully depreciated in the month of addition.

Depreciation on additions (disposals) is provided from (upto) the month in which asset is ready for use (disposed of).

3.5 Intangible assets

i. Recognition and measurement

Intangible assets including those acquired by the Group are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

ii. Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as incurred.

iii. Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives using the straight-line method, and is included in depreciation and amortisation in the Consolidated Statement of Profit and Loss.

The estimated useful lives are as follows:

Asset	Useful life
Software	3 - 5 years

Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted, if appropriate.

Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (CGU) or groups of cash-generating units that are expected to benefit from the synergies of the combination.

A CGU to which goodwill has been allocated is tested for impairment annually, or more frequently when there is indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit on a pro-rata basis based on the carrying amount of each asset in the CGU.

3.6 Inventories

Inventories are measured at the lower of cost and net realisable value. Cost of inventory is determined using the weighted average method and cost of inventories comprise all cost of purchase and other cost incurred in brining the inventories to the present location and condition, net of discounts.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

3.7 Impairment

i. Impairment of financial instruments

The Group recognises loss allowances for expected credit losses on financial assets measured at amortised cost.

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit - impaired. A financial asset is 'credit - impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit - impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the counterparty will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

The Group measures loss allowances at an amount equal to lifetime expected credit losses, except for the following, which are measured as 12 month expected credit losses:

- bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument. 12 month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). In all cases, the maximum period considered when estimating expected credit lossess is the maximum contractual period over which the Group is exposed to credit risk.

In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward - looking information.

The Group considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held)
- the financial asset is 365 days or more past due.

Measurement of expected credit losses

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive).

Presentation of allowance for expected credit losses in the balance sheet

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

ii. Impairment of non-financial assets

The Group's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested for impairment annually. For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

The Group's corporate assets do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are

NOTES forming part of the consolidated financial statements for the year ended 31 March 2019 (Contd.)

recognised in the statement of profit and loss. Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

An impairment loss in respect of goodwill is not subsequently reversed. In respect of other assets for which impairment loss has been recognised in prior periods, the Group reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.8 Employee benefits

i. Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., under short-term bonus, if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

ii. Share based payment transactions

The grant date fair value of equity settled share-based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as expense is based on the estimate of the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do meet the related service and non-market vesting conditions at the vesting date.

iii. Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Group makes specified monthly contributions towards Government administered provident fund scheme and employees state insurance scheme. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which the related services are rendered by employees.

iv. Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods.

The Group's gratuity plan is unfunded. Defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method at each balance sheet date. The defined benefit obligation is determined as the present value of the estimated future cash flows expected to be made by the Group in respect of services rendered by its employees upto the reporting date.

Remeasurements of the defined benefit liability, which comprise actuarial gains and losses are recognised in OCI. The Group determines the interest expense on the defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then defined benefit liability. Interest expense and other expenses related to defined benefit plans are recognised in profit or loss under finance costs and employee benefit expenses respectively. expenses respectively.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

v. Other long-term employee benefits

The Group's net obligation in respect of long-term employee benefits other than post-employment benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The obligation is measured on the basis of an annual independent actuarial valuation using the projected unit credit method. Remeasurements gains or losses are recognised in profit or loss in the period in which they arise.

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for.

3.10 Revenue recognition

The Group earns revenue primarily from the business of comprehensive Supply Chain Management ('SCM'), providing total logistic solutions services including warehousing management and allied services for various corporate customers. Effective 1 April 2018, the Group has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts. The Company has adopted Ind AS 115 using the cumulative effect method, wherein the comparatives have not been retrospectively adjusted. There are no adjustments required to be made to the retained earnings as at 31 March 2018.

Revenue is recognised upon transfer of control of promised services to customers in an amount that reflects the consideration which the Group expects to receive in exchange for those services.

- Revenue from warehousing management services where the Group leases out warehouse space along with warehousing equipments is measured based on the mutually agreed monthly rent with customers. Revenue for warehousing management services are recorded at gross or net basis depending on whether the Group is acting as the principal or as an agent of the customer. The Group recognises revenue in the gross amount of consideration when it is acting as a principal and at net amount of consideration when it is acting as an agent.
- Revenue from third party logistics services is recognised based on the consignment notes issued by the Group. Revenue is measured based on the mutually agreed rate as per the contract with the Group.
- Revenue from allied services is recognised on output basis, measured by number of orders processed.
- Revenue from sales of goods and scrap sales is recognised at the point in time when control is transferred to the customer.

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Unearned and deferred revenue ("contract liability") is recognised when there is billings in excess of revenues.

In accordance with Ind AS 37, the Company recognises an onerous contract provision when the unavoidable costs of meeting the obligations under a contract exceed the economic benefits to be received.

Disaggregation of revenue

The Group disaggregates revenue from contracts with customers by the geographic location of the customers. The Group believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of our revenues and cash flows are affected by industry, market and other economic factors. Refer Note 5.

Performance obligations and revenue recognition policies

The following details provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies.

(ia) Revenue recognition under Ind AS 115 (applicable from 1 April 2018)

a. Sales of goods or services

Revenue is recognized upon transfer of control of promised services to the customers in an amount that reflects the considerations expected to receive in exchange for those products or services. Revenue is measured based on the transaction price, which is the consideration as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

NOTES forming part of the consolidated financial statements for the year ended 31 March 2019 (Contd.)

(ib) Revenue recognition under Ind AS 18 (applicable before 1 April 2018)

a. Sales of services

Service income mainly comprises of logistic services, warehousing charges, freight charges and other related charges for rendering supply chain management services to customers. Service income is recognised based on the terms of the agreement entered into with customers when the services are rendered. Unbilled revenue represents services rendered and revenue is recognised on contracts to be billed in subsequent periods as per the terms of the related contract.

b. Sales of goods

Sale of goods primarily comprises of goods bought as per the requirements of the customer. Revenue is recognised when the significant risk and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably and the amount of revenue can be measured reliably.

3.11 Leases

i. Determining whether an arrangement contains a lease

At inception of an arrangement, it is determined whether the arrangement is or contains a lease.

At inception or on reassessment of the arrangement that contains a lease, the payments and other consideration required by such an arrangement are seperated into those for the lease and those for other elements on the basis of their relative fair values. If it is concluded for a finance lease that it is impractible to seperate the payments reliably, then an asset and liability are recognised at an amount equal to the fair value of the underlying asset. The liability is redued as payments are made and an imputed finance cost on the liability is recognised using the incremental borrowing rate.

ii. Assets held under leases

Leases of property, plant and equipment that transfer to the Group substantially all the risks and rewards of ownership are classified as finance leases. The leased assets are measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to similar owned assets.

Assets held under leases that do not transfer to the Group substantially all the risks and rewards of ownership (i.e. operating leases) are not recognised in the Group's Consolidated Balance Sheet.

iii. Lease payments

Payments made under operating leases are generally recognised in profit or loss on a straight-line basis over the term of the lease unless such payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. Lease incentives received are recognised as an integral part of the total lease expense over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

3.12 Recognition of dividend income, interest income or expense

Dividend income is recognised in profit or loss on the date on which the Group's right to receive payment is established.

Interest income or expense is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

NOTES forming part of the consolidated financial statements for the year ended 31 March 2019 (Contd.)

3.13 Government grants

Government grants are recognised initially as deferred income at fair value when there is reasonable assurance that they will be received and the Group will comply with the conditions associated with the grant; they are then recognised in profit or loss as other operating revenue on a systematic basis.

Grants that compensate the Group for expenses incurred are recognised in statement of profit or loss as other operating revenue on a systematic basis in the periods in which such expenses are recognised.

3.14 Income tax

Income tax comprises current and deferred tax. It is recognised in profit or loss except to the extent an item recognised directly in equity or in other comprehensive income.

i. Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

ii. Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- temporary differences related to investments in subsidiaries to the extent that Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the forseeable future
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

3.15 Earnings per share

Basic earnings per share is computed by dividing profit or loss attributable to equity shareholders of the Group by the weighted average number of equity shares outstanding during the year. The Group did not have any potentially dilutive securities in any of the years presented.

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 is adjusted for the effects of all dilutive potential equity shares.

3.16 Cash and cash equivalents

Cash and cash equivalent comprise of cash on hand and at banks including short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. Other bank deposits which are not in the nature of cash and cash equivalents with a maturity period of more than three months are classified as other bank balances.

NOTES forming part of the consolidated financial statements for the year ended 31 March 2019 (Contd.)

3.17 Cash flows

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, financing and investing activities of the Group are segregated.

3.18 Borrowing cost

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

3.19 Dividend to share holders

Final dividend is distributed to Equity share holders is recognised in the period in which it is approved by the members of the Company in the Annual Genral Meeting. Final dividend net of divided distribution tax are recognised in the Statement of Changes in Equity.

4 RECENT INDIAN ACCOUNTING STANDARDS (IND AS)

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2018 has notified the following new and amendments to Ind ASs which the Group has not applied as they are effective for annual periods beginning on or after 1 April 2019:

Ind AS 116	Leases
Ind AS 12	Income taxes
Ind AS 109	Financial instruments

Ind AS 116 Leases

The Group is required to adopt Ind AS 116, Leases from 1 April 2019. Ind AS 116 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases. It replaces existing leases guidance, Ind AS 17, Leases.

The Group has completed an initial assessment of the potential impact on its consolidated financial statements but has not yet completed its detailed assessment. The quantitative impact of adoption of Ind AS 116 on the consolidated financial statements in the period of initial application is not reasonably estimable as at present.

i. Leases in which the Group is a lessee

The Group will recognise new assets and liabilities for its operating leases of warehouse. The nature of expenses related to those leases will now change because the Group will recognise a depreciation charge for right-of-use assets and interest expense on lease liabilities.

Previously, the Group recognised operating lease expense on a straight-line basis over the term of the lease, and recognised assets and liabilities only to the extent that there was a timing difference between actual lease payments and the expense recognised.

In addition, the Group will no longer recognise provisions for operating leases that it assesses to be onerous. Instead, the Group will include the payments due under the lease in its lease liability and apply Ind AS 36, Impairment of Assets to determine whether the right-of-use asset is impaired and to account for any impairment.

No significant impact is expected for the Group's finance leases.

ii. Leases in which the Group is a lessor

The Group will reassess the classification of sub-leases in which the Group is a lessor. Based on the information currently available, the Group expects that it will reclassify one sub-lease as a finance lease.

No significant impact is expected for other leases in which the Group is a lessor.

iii. Transition

The Group plans to apply Ind AS 116 initially on 1 April 2019, using the modified retrospective approach. Therefore, the cumulative effect of adopting Ind AS 116 will be recognised as an adjustment to the opening balance of retained earnings at 1 April 2019, with no restatement of comparative information.

The Group plans to apply the practical expedient to grandfather the definition of a lease on transition. This means that it will apply Ind AS 116 to all contracts entered into before 1 April 2019 and identified as leases in accordance with Ind AS 17.

Ind AS 12 Income taxes

The amendment clarifies on the accounting of income tax consequences of distribution of profits (i.e. dividends), including payments on financial instruments classified as equity, should be recognised when a liability to pay dividend is recognised.

Income tax consequences should be recognised in profit or loss, Other Comprehensive Income (OCI) or equity according to where the past transactions or events that generated distributable profits were originally recognised.

The Group is in the process of assessing the impact of this amendment on its consolidated financial statements.

Ind AS 109 Financial instruments

The Group has been applying Ind AS 109 in the preparation of its consolidated financial statements. A recent amendment to the standard deals with how the a financial asset should be measured. A financial asset would be classifed and measured at amortised cost or at Fair Value through Other Comprehensive Income (FVOCI) if its contractual cash flows are soley in the nature of principle and the interest on the principle amount outstanding (SPPI criterion)

NOTES forming part of the consolidated financial statements for the year ended 31 March 2019 (Contd.)

5 OPERATING SEGMENTS

The Group is engaged in only one business namely providing supply chain management ('SCM') services. The entity's chief operating decision maker considers the Group as a whole to make decisions about resources to be allocated to the segment and assess its performance. Accordingly, the Group does not have multiple segments and these consolidated financial statements are reflective of the information required by the Ind AS 108 for for SCM segment. The Group's operations are entitrely domiciled in India and as such all its non-current assets are located in India.

A. Geographic information :

The geographic information analyses the Company's revenue by the Company's country of domicile and other countries. In presenting the geographical information, segment revenue has been determined based on the geographic location of the customers.

	Year ended 31 March 2019	Year ended 31 March 2018
India	381.00	301.31
USA	16.40	15.20
	397.40	**316.51**

The Group's operations are entirely carried in India and as such all its non-current assets are located in India.

B. Major Customers

Revenue from customers that individually constituted more than 10% of the Group's revenue are as follows:

	Year ended 31 March 2019	Year ended 31 March 2018
Customer A	65.46	67.91
Customer B	44.76	37.52

6 REVENUE FROM OPERATIONS

	Year ended 31 March 2019	Year ended 31 March 2018
Sale of products	**0.20**	**1.03**
Sale of services		
Income from supply chain management services ^ ^	397.17	315.42
Other operating revenue		
Scrap sales	0.03	0.06
	397.40	**316.51**

^ ^ Includes revenue INR 0.93 crores (31 March 2018: Nil) from renting of warehouse, net of related cost in respect of which the Group acts as an agent in the transaction rather than the principal.

NOTES forming part of the consolidated financial statements for the year ended 31 March 2019 (Contd.)

(All amounts are in Indian Rupees in crores, except share data and as stated)

7 OTHER INCOME

	Year ended 31 March 2019	Year ended 31 March 2018
Interest income under effective interest rate method on:		
Cash and cash equivalents and other bank balances	0.06	0.18
Loan to corporates	1.13	1.05
Security deposits at amortised cost	1.49	0.57
Net gain on sale of property, plant and equipment	0.06	0.01
Net gain on foreign currency transactions	-	0.07
Finance income on lease	0.72	0.24
Export incentives	1.25	1.37
Miscellaneous income	1.35	0.64
	6.06	**4.13**

8 PURCHASE OF SPARES

	Year ended 31 March 2019	Year ended 31 March 2018
Purchases of spares	0.07	0.87
	0.07	0.87

9 CHANGES IN INVENTORIES OF SPARES

	Year ended 31 March 2019			Year ended 31 March 2018		
	Opening stock	Closing stock	Increase / Decrease	Opening stock	Closing stock	Increase / Decrease
Stock-in-trade of spares*	-	-	-	-	-	-
	-	-	-	-	-	-

* Increase in inventory of spares of INR 12,465/- for year ended 31 March 2019 (31 March 2018: INR 14,139/- decrease in inventory of spares) has been rounded off in crores to Nil.

10 EMPLOYEE BENEFIT EXPENSES

	Year ended 31 March 2019	Year ended 31 March 2018
Salaries, wages and bonus	24.74	21.52
Contribution to provident funds	1.40	1.28
Expenses related to post-employment defined benefit plans	0.63	0.53
Expenses related to compensated absences	0.29	0.27
Staff welfare expenses	4.32	2.34
Share based payment expense (refer note 38)	2.64	0.67
	34.02	**26.61**

Defined contribution plans

The Company and its subsidiaries make contributions, generally determined as a specified percentage of employee salaries, in respect of qualifying employees in accordance with the local laws and regulations which are defined contribution plans. The Group has no obligations other than to make the specified contributions. The contributions are charged to the statement of profit and loss as they accrue. The amount recognised as an expense towards such defined contribution plans for the year aggregated to INR 1.40 crores (31 March 2018: INR 1.28 crores)

NOTES forming part of the consolidated financial statements for the year ended 31 March 2019 (Contd.)

(All amounts are in Indian Rupees in crores, except share data and as stated)

11 FINANCE COSTS

	Year ended 31 March 2019	Year ended 31 March 2018
Interest expense on financial liabilities measured at amortised cost	6.26	1.85
Interest on loan from related parties	0.04	0.58
Finance cost on finance lease obligations	0.68	0.17
	6.98	**2.60**

12 DEPRECIATION AND AMORTISATION EXPENSE

	Year ended 31 March 2019	Year ended 31 March 2018
Depreciation of property, plant and equipment (refer note 15)	5.63	4.51
Amortisation of intangible assets (refer note 16)	1.49	1.10
	7.12	**5.61**

13 OTHER EXPENSES

	Year ended 31 March 2019	Year ended 31 March 2018
Freight, delivery and shipping charges	117.63	96.97
Rent	61.19	46.07
Outsourced manpower cost	58.66	32.09
Warehouse handling charges	30.87	32.79
Consumption of packing materials	2.35	1.98
Power and fuel	3.56	3.23
Rates and taxes	1.20	1.98
Insurance	0.45	0.34
Repairs and maintenance		
Buildings	0.25	0.56
Machinery	1.38	1.54
Others	6.05	4.51
Directors' sitting fees	0.06	0.05
Legal and professional charges (refer note (a))	4.26	3.03
Travel and conveyance	2.94	3.14
Sales promotion expenses	0.16	0.10
Communication expenses	2.80	2.46
Security services	12.30	9.24
Printing and stationery	2.52	2.12
Net loss on foreign currency transactions	0.38	-
Provision for doubtful debts	0.48	0.03
Bad debts written off	0.01	-
Bank charges	0.36	0.09
Expenditure on corporate social responsibility (refer note (b))	0.70	0.36
Miscellaneous expenses	0.71	0.67
	311.27	**243.35**

a. Payment to auditors included in legal and professional charges

	Year ended 31 March 2019	Year ended 31 March 2018
As auditor for:		
Statutory audit	0.06	0.06
Tax audit	0.01	0.01
Other services	0.02	0.02
Reimbursement of expenses	0.02	0.01
Payment to component auditor	0.06	0.04
	0.17	**0.14**

NOTES forming part of the consolidated financial statements for the year ended 31 March 2019 (Contd.)

(All amounts are in Indian Rupees in crores, except share data and as stated)

13 OTHER EXPENSES (CONTD.)

b. Details of corporate social responsibility expenditure

	Year ended 31 March 2019	Year ended 31 March 2018
Amount required to be spent by the Company during the year	0.70	0.36
Amount spent during the year (in cash) :		
(i) Construction/ acquisition of any asset	-	-
(ii) On purposes other than (i) above	0.70	0.36
	0.70	**0.36**

14 INCOME TAX

A. Amount recognised in the profit and loss

	Year ended 31 March 2019	Year ended 31 March 2018
Current tax		
Current period	13.95	15.36
Total current tax expense	13.95	15.36
Deferred tax		
Origination and reversal of temporary difference	(0.82)	(1.09)
Reduction in tax rates	0.17	-
Total deferred tax expense / (benefit)	**(0.65)**	**(1.09)**
	13.30	**14.27**

B. Income tax recognised in other comprehensive income

	Year ended 31 March 2019			Year ended 31 March 2018		
	Before tax	Tax (expense) / benefit	Net of tax	Before tax	Tax (expense) / benefit	Net of tax
Remeasurement of defined benefit liability (asset)	(0.61)	0.18	(0.43)	(0.69)	0.24	(0.45)
	(0.61)	**0.18**	**(0.43)**	**(0.69)**	**0.24**	**(0.45)**

C. Reconciliation of effective tax rate

	Year ended 31 March 2019		Year ended 31 March 2018	
Profit before tax		**44.00**		**41.60**
Taxes using the enacted tax rates in India	29.12%	12.81	34.61%	14.40
Computed expected tax expense				
Effect of :				
Differences in tax rates in subsidiaries*	-0.27%	(0.12)	0.00%	-
Changes in tax rates	0.39%	0.17	0.00%	-
Changes in estimates related to prior years	0.52%	0.23	-0.60%	(0.25)
Effect of non-deductible expenses	0.48%	0.21	0.29%	0.12
Income tax expense	**30.23%**	**13.30**	**34.30%**	**14.27**

* Subsidiaries of the Group operates at a lower tax rate

NOTES forming part of the consolidated financial statements for the year ended 31 March 2019 (Contd.)

(All amounts are in Indian Rupees in crores, except share data and as stated)

14 INCOME TAX (CONTD.)

D. Recognized deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

Deferred tax liabilities (net)	As at 31 March 2019	As at 31 March 2018
Property, plant and equipment	0.11	-
Intangible assets	4.37	-
Finance lease receivable	1.58	-
Deferred tax liabilities	**6.06**	**-**
Provision - employee benefits	1.67	-
Finance lease payable	2.99	-
Provision - others	0.19	-
Deferred tax assets	**4.85**	**-**
Net Deferred tax liabilities	**1.21**	**-**

Deferred tax assets (net)	As at 31 March 2019	As at 31 March 2018
Intangible assets	0.07	0.10
Finance lease payable	-	1.42
Deferred tax liabilities	**0.07**	**1.52**
Property, plant and equipment	0.27	1.08
Provision - employee benefits	0.13	0.97
Finance lease receivable	-	1.58
Provision - others	0.48	0.80
Deferred tax assets	**0.88**	**4.43**
Net Deferred tax assets	**0.81**	**2.91**

Movement in temporary differences:

Deferred tax assets (net)

	Balance as at 1 April 2017	Recognized in profit or loss during 2017-18	Recognized in OCI during 2017-18	Balance as at 31 March 2018	Recognized in profit or loss during 2018-19	Recognized in OCI during 2018-19	Acquisition through business Combination	Balance as at 31 March 2019
Property, plant and equipment	0.40	0.67	-	1.07	(1.00)	-	0.20	0.27
Intangible Assets	(0.09)	(0.01)	-	(0.10)	0.03	-	-	(0.07)
Provision - employee benefits	1.13	(0.39)	0.24	0.98	(1.03)	0.18	-	0.13
Finance Lease receivable	-	1.58	-	1.58	(1.58)	-	-	-
Finance Lease Payable	-	(1.42)	-	(1.42)	1.42	-	-	-
Provision - others	0.14	0.66	-	0.80	(0.35)	-	0.03	0.48
	1.59	**1.09**	**0.24**	**2.91**	**(2.51)**	**0.18**	**0.23**	**0.81**

NOTES forming part of the consolidated financial statements for the year ended 31 March 2019 (Contd.)

(All amounts are in Indian Rupees in crores, except share data and as stated)

14 INCOME TAX (CONTD.)

Deferred tax assets (net)

Deferred tax liabilities (net)

	Balance as at 1 April 2017	Recognized in profit or loss during 2017-18	Recognized in OCI during 2017-18	Balance as at 31 March 2018	Recognized in profit or loss during 2018-19	Recognized in OCI during 2018-19	Acquisition through business Combination	Balance as at 31 March 2019
Property, plant and equipment	-	-	-	-	0.11	-	-	0.11
Intangible Assets	-	-	-	-	-	-	(4.37)	4.37
Provision - employee benefits	-	-	-	-	(1.67)	-	-	(1.67)
Finance Lease receivable	-	-	-	-	1.58	-	-	1.58
Finance Lease Payable	-	-	-	-	(2.99)	-	-	(2.99)
Provision - others	-	-	-	-	(0.19)	-	-	(0.19)
	-	**-**	**-**	**-**	**(3.16)**	**-**	**(4.37)**	**1.21**
Net amount recognised in statement of profit and loss / other comprehensive income		**(1.09)**	**(0.24)**		**(0.65)**	**(0.18)**		

15 PROPERTY, PLANT AND EQUIPMENT

A. Reconciliation of carrying amount

	Land & Building	Plant and machinery	Office equipment	Furniture and fixtures	Computers	Vehicles	Total
Deemed cost / Cost (Gross carrying amount)							
Balance as at 1 April 2017	**-**	**2.96**	**2.30**	**4.33**	**3.50**	**1.63**	**14.72**
Additions (Refer note B)	-	1.64	0.93	2.13	1.45	0.30	6.45
Disposals	-	-	-	-	-	-	-
Balance as at 31 March 2018	**-**	**4.60**	**3.23**	**6.46**	**4.95**	**1.93**	**21.17**
Additions (Refer note B)	0.21	6.02	1.48	1.46	3.00	0.69	12.86
Acquisitions through business combination	0.01	0.23	0.60	0.09	0.02	0.10	1.05
Disposals	-	-	-	-	-	(0.09)	(0.09)
Balance as at 31 March 2019	**0.22**	**10.85**	**5.31**	**8.01**	**7.97**	**2.63**	**34.99**
Accumulated depreciation							
Balance as at 1 April 2017	-	1.11	0.70	1.35	1.62	0.28	5.06
Additions	-	0.91	0.64	1.34	1.32	0.30	4.51
Disposals	-	-	-	-	-	-	-
Balance as at 31 March 2018	**-**	**2.02**	**1.34**	**2.69**	**2.94**	**0.58**	**9.57**
Additions	0.02	1.92	0.86	0.87	1.58	0.38	5.63
Disposals	-	-	-	-	-	(0.01)	(0.01)
Balance as at 31 March 2019	**0.02**	**3.94**	**2.20**	**3.56**	**4.52**	**0.95**	**15.19**
Carrying amount (net)							
As at 31 March 2018	-	2.58	1.89	3.77	2.01	1.35	11.60
As at 31 March 2019	**0.20**	**6.91**	**3.11**	**4.45**	**3.45**	**1.68**	**19.80**

NOTES forming part of the consolidated financial statements for the year ended 31 March 2019 (Contd.)

(All amounts are in Indian Rupees in crores, except share data and as stated)

15 PROPERTY, PLANT AND EQUIPMENT (CONTD.)

B. Property, plant and equipment held under finance leases

During the current year the Company has acquired a set of warehouse racks amounting to INR 6.12 crore under a finance lease arrangement. The lease provides the Company with an option to purchase the warehouse racks at the end of the lease term. The lease equipment secures the related lease obligations (Refer note 28).

During the previous year the Company has acquired a set of warehouse racks amounting to INR 5.07 crore under a finance lease arrangement. The lease provides the Company with an option to purchase the warehouse racks at the end of the lease term. The lease equipment secures the related lease obligations (Refer note 28). Out of these leased assets, the Company has sub leased assets amounting to INR 4.84 crore under a finance lease arrangement.

The gross and net carrying amounts of furniture and fixture acquired under finance leases and included in above as follows:

	Plant and machinery	Office equipment	Furniture and fixtures	Computers	Total
Cost					
Balance as at 1 April 2017	-	-	-	-	-
Assets acquired on finance lease during the year ended 31 March 2018	-	-	5.07	-	5.07
Assets given on finance lease during the year	-	-	(4.84)	-	(4.84)
Cost as at 31 March 2018	-	-	0.23	-	0.23
Assets acquired on finance lease during the year ended 31 March 2019	4.60	0.60	-	0.92	6.12
Assets given on finance lease during the year	-	-	-	-	-
Cost as at 31 March 2019	**4.60**	**0.60**	**0.23**	**0.92**	**6.35**
Accumulated depreciation					
Balance as at 1 April 2017	-	-	-	-	-
Depreciation during the year ended 31 March 2018	-	-	(0.02)	-	(0.02)
Accumulated depreciation as at 31 March 2018	-	-	(0.02)	-	(0.02)
Depreciation during the year ended 31 March 2019	(0.35)	(0.09)	(0.04)	(0.07)	(0.55)
Accumulated depreciation as at 31 March 2019	(0.35)	(0.09)	(0.06)	(0.07)	(0.57)
Net carrying amount					
As at 31 March 2018	-	-	0.21	-	0.21
As at 31 March 2019	**4.25**	**0.51**	**0.17**	**0.85**	**5.78**

Further, additions include an amount of INR 0.65 crores (31 March 2018: INR 0.60 crores) in respect of certain property, plant and equipment that were acquired by the Company and given on finance lease.

NOTES forming part of the consolidated financial statements for the year ended 31 March 2019 (Contd.)

(All amounts are in Indian Rupees in crores, except share data and as stated)

16 INTANGIBLE ASSETS

A. Reconciliation of carrying amount

	Software	Customer contracts*	Customer Relationship	Goodwill	Total
Deemed cost / Cost (Gross carrying amount)					
Balance as at 1 April 2017	**0.25**	**3.71**	**-**	**-**	**3.96**
Additions	0.04	1.29	-	-	1.33
Disposals	-	-	-	-	-
Balance as at 31 March 2018	**0.29**	**5.00**	**-**	**-**	**5.29**
Additions	5.36	-	-		5.36
Acquisitions through business combination ^ ^	-	-	15.01	19.34	34.35
Disposals	-	-	-	-	-
Balance as at 31 March 2019	**5.65**	**5.00**	**15.01**	**19.34**	**45.00**
Accumulated amortisation					
Balance as at 1 April 2017	**0.06**	**0.20**	**-**	**-**	**0.26**
Amortisation for the year	0.07	1.03	-	-	1.10
Disposals	-	-	-	-	-
Balance as at 31 March 2018	**0.13**	**1.23**	**-**	**-**	**1.36**
Amortisation for the year	0.49	1.00	-	-	1.49
Disposals	-	-	-	-	-
Balance as at 31 March 2019	**0.62**	**2.23**	**-**	**-**	**2.85**
Carrying amount (net)					
As at 31 March 2018	0.16	3.77	-	-	3.93
As at 31 March 2019	**5.03**	**2.77**	**15.01**	**19.34**	**42.15**

*Refer note 39 for details of acquisition of customer contracts

^ ^ Refer note 41A for details of acquisitions through business combination

B. Impairment - Refer signed Financials

See accounting policy in Note 3.7

Impairment testing for cash-generating units containing goodwill

For the purpose of impairment testing, goodwill is allocated to one of the Group's component which represent the lowest level within the Group at which goodwill is monitored for internal management purposes, which is not higher than the Group's operating segments. The aggregate carrying amounts of goodwill allocated to each unit are as follows:

	As at 31 March 2019	As at 31 March 2018
Auroma Logistics Private Limited	19.34	-
	19.34	**-**

Auroma Logistics Private Limited

The recoverable amount of this cash-generating units ("CGU") is based on its value in use, determined by discounting the future cash flows to be generated from the continuing use of the CGU. Five years of cash flows have been included in the discounted cash flow model. The carrying amount of the unit has been determined to be lower than its recoverable amount and no impairment loss has been reccognised.

The key assumptions used in the estimation of the recoverable amount are set below. The values assigned to the key assumptions represent management's assessment of future trends in relevant industries and have been based on historical data from both external and internal sources.

(in percent)	As at 31 March 2019	As at 31 March 2018
Risk-adjusted discount rates	21.00	-
Terminal value growth rate	5.00	-
Budgeted EBITDA growth rate	1.00	-

NOTES forming part of the consolidated financial statements for the year ended 31 March 2019 (Contd.)

(All amounts are in Indian Rupees in crores, except share data and as stated)

16 INTANGIBLE ASSETS (CONTD.)

(a) Risk-adjusted discount rates: Risk-adjusted discount rate considered is a pre-tax measure based on the rate of government bonds issued by the government in the market and in the same currency as the cash flows adjusted for a risk premium to reflect both the increased risk of investing in equities and systematic risk of the CGU.

(b) Terminal growth rate: Terminal growth rate has been determined as the lower of the nominal gross domestic product (GDP) growth rates for the countries in which the CGU operates and the long-term compound annual EBITDA growth rate estimated by management.

(c) Budgeted EBITDA (Earnings before interest, tax, depreciation and amortisation): Budgeted EBITDA has been based on expectations of future outcomes taking into account past experience, adjusted for anticipated revenue growth. Revenue growth has been projected taking into account the average growth levels experienced over the past three years. It has been assumed that sales prices would grow at a constant margin above forecast inflation over next five years.

Significant unobservable inputs used in valuation	Sensitivity to changes in assumption and inter relationship between key unobservable inputs and fair value measurement
Risk-adjusted discount rates	Estimated fair value would decrease / (increase) if expected discount rate were higher / (lower)
Terminal value growth rate	Estimated fair value would increase / (decrease) if expected terminal value growth rate were higher / (lower)
Budgeted EBITDA growth rate	Estimated fair value would increase / (decrease) if expected budgeted EBITDA growth rate were higher / (lower)

The Group believes that any reasonable change in the key assumptions on which the recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the cash-generating unit.

17 INVENTORIES

	As at 31 March 2019	As at 31 March 2018
Spares*	-	-
	-	**-**

* Inventory of spares as at 31 March 2019 of INR 12,465 (Previous year: INR Nil) has been rounded off in crores to Nil.

18 TRADE RECEIVABLES

	As at 31 March 2019	As at 31 March 2018
Unsecured, considered good	122.70	87.34
Doubtful	0.66	0.18
Less : Loss allowance	(0.66)	(0.18)
	122.70	**87.34**
Current	122.70	87.34
	122.70	**87.34**

Of the above, trade receivables from related parties are as follows:

	As at 31 March 2019	As at 31 March 2018
Total trade receivables from related parties (refer note 36)	9.34	7.49
Loss allowance	-	-
	9.34	**7.49**

NOTES forming part of the consolidated financial statements for the year ended 31 March 2019 (Contd.)

(All amounts are in Indian Rupees in crores, except share data and as stated)

19 CASH AND CASH EQUIVALENTS

	As at 31 March 2019	As at 31 March 2018
Cash in hand	0.34	0.17
Balance with banks:		
- in current accounts	4.39	0.81
Cash and cash equivalents in balance sheet	4.73	0.98
Less: Bank overdrafts and cash credits used for cash management purposes	45.75	24.14
Cash and cash equivalents in the statements of cash flows	**(41.02)**	**(23.16)**

For the purpose of this clause, the term specified bank note shall have the same meaning provided in the notification of the Government of India, the Ministry of Finance - Department of Economic Affairs No. S.O.3407 (E), dated 8 November 2016.

20 OTHER BANK BALANCES

	As at 31 March 2019	As at 31 March 2018
Demand deposits with original maturity of more than three months	4.26	3.72
	4.26	**3.72**

Other bank balances includes 31 March 2019 INR 0.56 crores (31 March 2018: INR 0.56 crores) of fixed deposit is pledged against the Overdraft facility availed from SBI. And further the Group had pledged its other bank balances amounting to 31 March 2019 INR Nil (31 March 2018: INR 3.00 crores) as a collateral in respect of certain financing arrangements entered into by its subsidiary, Rajprotim Supply Chain Solutions Limited.

21 DEPOSITS AND OTHER RECEIVABLES

	As at 31 March 2019	As at 31 March 2018
Non-current		
Security deposit	15.52	10.11
	15.52	**10.11**
Current		
Security deposit	5.85	2.56
Unbilled revenue	1.61	-
	7.46	**2.56**

22 LOANS

	As at 31 March 2019	As at 31 March 2018
Secured, considered good		
Loan to body corporates	10.00	10.00
Less: Loss allowance	-	-
	10.00	**10.00**
Unsecured, considered good		
Loan to body corporates	2.00	2.00
Less: Loss allowance	-	-
	2.00	2.00
	12.00	**12.00**
Non-current	-	-
Current*	12.00	12.00
	12.00	**12.00**

* The Company has given INR 12 crore as loan to Rajprotim Agencies Private Limited ("RAPAL"). Out of INR 12 crores, INR 10 crores is secured by a pledge of 62,000 shares of RAPAL.

NOTES forming part of the consolidated financial statements for the year ended 31 March 2019 (Contd.)

(All amounts are in Indian Rupees in crores, except share data and as stated)

23 OTHER FINANCIAL ASSETS

	As at 31 March 2019	As at 31 March 2018
Non-current		
Advance for purchase of shares	-	3.60
Long term finance lease receivable	4.59	4.99
	4.59	**8.59**
Current		
Current maturities of finance lease receivable	0.85	0.45
Interest accrued but not due	0.81	0.27
Others	3.36	0.93
	5.02	**1.65**

Finance lease receivable

The Company's leasing arrangement represents the certain pallets and other assets given to customers which have been classified under Ind AS 17 on Leases as Finance lease. The lease term covers the substantial period of the assets and all the risks and rewards of ownership are transferred to the lessee. The Company records disposal of the property concerned and recognizes the finance income as revenue from operations.

The reconciliation between the gross investment in the lease at the end of the reporting period, and the present value of minimum lease payments receivable at the end of the reporting period are as follows:

	As at 31 March 2019	As at 31 March 2018
Gross investment	7.88	8.57
Unearned finance income	(2.44)	(3.13)
Net investment	**5.44**	**5.44**

Finance leases are receivable as follows:

	As at 31 March 2019	As at 31 March 2018
Gross investment		
Within less than one year	1.46	1.11
Between One and five years	4.60	5.54
After more than five years	1.82	1.92
	7.88	**8.57**

	As at 31 March 2019	As at 31 March 2018
Present value of minimum lease payments		
Within less than one year	0.85	0.45
Between One and five years	2.97	3.27
After more than five years	1.62	1.72
	5.44	**5.44**

NOTES forming part of the consolidated financial statements for the year ended 31 March 2019 (Contd.)

(All amounts are in Indian Rupees in crores, except share data and as stated)

24 OTHER ASSETS

	As at 31 March 2019	As at 31 March 2018
Non-current		
Capital advances	0.13	0.66
Prepayments	3.01	1.74
Receivable from government authorities	2.03	1.38
	5.17	**3.78**
Current		
Prepayments	2.25	1.35
Balances with statutory authorities	2.41	0.69
Others	58.92	18.67
	63.58	**20.71**

25A EQUITY SHARE CAPITAL

	As at 31 March 2019	As at 31 March 2018
Authorised		
15,000,000 (31 March 2017: 15,000,000) equity shares of ₹10 each	15.00	15.00
Issued, Subscribed and Paid-up		
9,081,465 (31 March 2018: 7,243,230) equity shares of ₹10 each fully paid up	9.08	7.24

Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Particulars	As at 31 March 2019		As at 31 March 2018	
	No. of shares	Amount	No. of shares	Amount
Equity shares				
At the commencement of the year	7,243,230	7.24	7,243,230	7.24
Shares issued for cash	1,838,235	1.84	-	-
At the end of the year	**9,081,465**	**9.08**	**7,243,230**	**7.24**

Rights, preferences and restrictions attached to equity shares

The Company has a single class of equity shares of par value of ₹10/- per share. Accordingly, all equity shares rank equally with regard to dividends. The equity shareholders are entitled to receive dividend as may be declared from time to time. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share of the paid-up equity capital of the Company.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Shares held by holding / ultimate holding company and / or their subsidiaries / associates and particulars of shareholder holding more than 5% shares of a class of shares

Particulars	As at 31 March 2019		As at 31 March 2018	
	No. of shares	Amount	No. of shares	Amount
Equity shares of ₹10/- each paid up held by Redington (India) Limited and its nominees	9,081,465	9.08	7,243,230	7.24

NOTES forming part of the consolidated financial statements for the year ended 31 March 2019 (Contd.)

(All amounts are in Indian Rupees in crores, except share data and as stated)

25B OTHER EQUITY

a. Securities premium

	As at 31 March 2019	As at 31 March 2018
At the commencement of the year	12.31	12.31
Share issued for cash	23.16	-
At the end of the year	**35.47**	**12.31**

Securities premium is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Companies Act, 2013.

b. Capital reserve

	As at 31 March 2019	As at 31 March 2018
At the commencement of the year	0.67	-
Stock Compensation Cost (Refer Note 10)	2.64	0.67
At the end of the year	**3.31**	**0.67**

Capital reserve represents accumulated stock compensation cost in respect of Stock Appreciation Rights granted to the employees and directors of the Company by the holding company.

c. Dividends

The following dividends were paid by the Company

	As at 31 March 2019	As at 31 March 2018
INR 6 per equity share (31 March 2018: INR. 5)	4.36	3.62
Dividend distribution tax (DDT) on dividend to equity shareholders	0.88	0.74
	5.24	**4.36**

After the reporting dates the following dividends (excluding dividend distribution tax) were proposed by the directors subject to the approval at the annual general meeting; the dividends have not been recognised as liabilities. Dividends would attract dividend distribution tax when declared or paid.

	As at 31 March 2019	As at 31 March 2018
INR Nil per equity share (31 March 2018: INR 6 per equity share)	-	4.36

d. Analysis of accumulated OCI, net of tax

A. Other items of OCI

	As at 31 March 2019	As at 31 March 2018
Remeasurements of defined benefit liability	(1.17)	(0.74)
	(1.17)	**(0.74)**

Remeasurements of defined benefit liability

	As at 31 March 2019	As at 31 March 2018
Opening balance	(0.74)	(0.29)
Remeasurements of defined benefit liability	(0.43)	(0.45)
Closing balance	**(1.17)**	**(0.74)**

Remeasurements of defined benefit liability

Remeasurements of defined benefit liability comprises actuarial (losses) / gains.

NOTES forming part of the consolidated financial statements for the year ended 31 March 2019 (Contd.)

(All amounts are in Indian Rupees in crores, except share data and as stated)

25C CAPITAL MANAGEMENT

The Group manages its capital to ensure that the Group will be able to continue as a goimg concern while maximising the return to shareholders through the optimisation of debt and equity balances by maintaining an appropriate level of parity between them. The Group monitors capital using a ratio of 'adjusted net debt' to 'adjusted equity'. Adjusted equity comprises all components of equity. Adjusted net debt comprises short term as well as long term borrowings including finance leases, less cash and cash equivalents. The group's policy is to keep this ratio below 1.00 The Company's adjusted net debt to equity ratio at the end of the year is as follows:

	As at 31 March 2019	As at 31 March 2018
Total borrowings- short term and long term	102.96	45.03
Less: Cash and cash equivalent and other bank balance (refer note 19 and 20)	8.99	4.70
Net Debt (A)	**93.97**	**40.33**
Total equity (B) (refer note 25A and 25B)	121.91	80.03
Adjusted net debt to adjusted equity ratio	**0.77**	**0.50**

26 EARNINGS PER SHARE

a. Basic and diluted earnings per share

The calculations of profit attributable to equity shareholders and weighted average number of equity shares outstanding for purposes of basic and diluted earnings per share calculation are as follows:

(i) Profit (loss) attributable to equity shareholders (basic and diluted)

	Year ended 31 March 2019	Year ended 31 March 2018
Profit (loss) for the year, attributable to the equity holders	29.54	26.20

(ii) Weighted average number of equity shares (basic and diluted)

	Year ended 31 March 2019	Year ended 31 March 2018
Opening balance	7,243,230	7,243,230
Effect of fresh issue of shares for cash	130,943	-
Weighted average number of equity shares for the year	**7,374,173**	**7,243,230**

27 BORROWINGS

	As at 31 March 2019	As at 31 March 2018
Non current borrowings		
Term loan		
Secured bank loan	15.00	-
Long term maturities of finance lease obligations (secured)	8.60	4.23
	23.60	**4.23**
Current borrowings		
Loans from banks		
Cash credit facilities (secured)	45.36	23.79
Overdraft facilities (secured)	0.39	0.35
Working capital demand loan (secured)	31.95	16.00
Current portion of finance lease obligations (secured)	1.66	0.66
	79.36	**40.80**

Information about the Company's exposure to interest rate and liquidity risk is provided in note 33

NOTES forming part of the consolidated financial statements for the year ended 31 March 2019 (Contd.)

(All amounts are in Indian Rupees in crores, except share data and as stated)

27 BORROWINGS (CONTD.)

A.Terms and repayment schedule

Terms and conditions of outstanding borrowings are as follows:

	Currency	Nominal interest rate	Year of maturity	Carrying amount at 31 March 2019	Carrying amount at 31 March 2018
Cash credit	INR	9.2 to 10%	2018-19	45.36	23.79
Overdraft facilities from bank	INR	7.75%	2018-19	0.39	0.35
Working capital demand loan	INR	8.55 to 9.75%	2018-19	31.95	16.00
Term loan	INR	9.25%	2021-22	15.00	-
Finance lease obligations (secured)	INR	10.25%	2022-23	10.26	4.89
				102.96	**45.03**

Summary of borrowing arrangements

Cash credit from banks and working capital demand loan from banks is secured by a pari-passu charge on all receivables / book debts of the Company

Overdraft facilities from banks is secured by fixed deposits of INR 0.56 crores.

Finance lease obligations is secured against the assets taken on lease.

Term loan is secured by moveable fixed assets with a security cover of not less than 1.00 times of outstanding term loan

Finance lease obligations

Finance lease obligations are as follows:

	Future Minimum Lease Payments (MLP)	Interest Elements of MLP	Present Value of Minimum Lease Payments
As at 31 March 2019			
Within less than one year	2.56	0.90	1.66
Between One and five years	10.24	1.64	8.60
After more than five years	-	-	-
	12.80	**2.54**	**10.26**
As at 31 March 2018			
Within less than one year	1.13	0.47	0.66
Between One and five years	5.28	1.05	4.23
After more than five years	-	-	-
	6.41	**1.52**	**4.89**

Cash credit (CC) and Working capital demand loan (WCDL) from banks is secured by a pari-passu charge on all receivables/ book debts of the Company. Overdraft facilities from banks is secured by fixed deposits of INR 0.56 crores. Finance lease obligations is secured against the assets taken on lease.The loan from holding company is an unsecured working capital loan.

Reconciliation of movements of liabilites to cash flows arising from financing activities

Particulars	Cash credit and overdraft from banks	Working capital demand loan including related party loans	Term loans	Finance lease obligations	Total
Balance at the beginning of the year					
- Borrowings	**24.14**	**16.00**	**-**	**4.89**	**45.03**
- Other financial liabilites	**-**	**-**	**-**	**-**	**-**
Changes from financing cash flows					
Loans availed during the year	-	140.15	15.00	-	155.15
Loans repaid during the year	-	(124.20)	-	(0.75)	(124.95)
Interest expense	3.99	2.11	0.20	0.68	6.98
Interest paid	(3.99)	(2.11)	(0.20)	(0.68)	(6.98)
Total changes from financing cash flows	**-**	**15.95**	**15.00**	**(0.75)**	**30.20**

NOTES forming part of the consolidated financial statements for the year ended 31 March 2019 (Contd.)

(All amounts are in Indian Rupees in crores, except share data and as stated)

27 BORROWINGS (CONTD.)

Particulars	Cash credit and overdraft from banks	Working capital demand loan including related party loans	Term loans	Finance lease obligations	Total
Other changes					
Liability-related					
Change in bank overdraft	0.04	-	-	-	0.04
Change in cash credits	21.57	-	-	-	21.57
New finance leases	-	-	-	6.12	6.12
Total liability-related other changes	**21.61**	**-**	**-**	**6.12**	**27.73**
Balance at the end of the year					
-Borrowings	**45.75**	**31.95**	**15.00**	**10.26**	**102.97**
-Other financial liabilities	**-**	**-**	**-**	**-**	**-**

28 TRADE PAYABLES

	As at 31 March 2019	As at 31 March 2018
Trade payables to related parties	0.49	0.05
Other trade payables	45.90	28.56
	46.39	**28.61**

All trades payables are 'current'

The Group's exposure to currency and liquidity risk related to trade payables is disclosed in note 33. Also, refer note 40 on Micro small and medium enterprise.

29 OTHER FINANCIAL LIABILITIES

	As at 31 March 2019	As at 31 March 2018
Advance from customers	0.01	0.02
Deposit from customers	0.51	0.47
Liability on account of share purchase agreement ^ ^	6.36	-
Contingent consideration*	7.16	-
Capital creditors	1.08	-
Other payables	0.93	0.29
	16.05	**0.78**
Non current	6.86	-
Current	9.19	0.78
	16.05	**0.78**

The Company's exposure to currency and liquidity risk related to above financial liabilities is disclosed in note 33.

* Payable towards acquisition of shares in Auroma Logistics Private Limited. Also refer note 41A for acquistion of ALPL.

^ ^ INR 6.36 crores pertains to an obligation to purchase remaining 10% equity stake in Auroma Logistics Private Limited ("ALPL"), pursuant to share purchase agreement entered with erstwhile shareholders of ALPL.

NOTES forming part of the consolidated financial statements for the year ended 31 March 2019 (Contd.)

(All amounts are in Indian Rupees in crores, except share data and as stated)

30 OTHER CURRENT LIABILITIES

	As at 31 March 2019	As at 31 March 2018
Employee payables	3.09	3.50
Statutory dues	6.30	4.99
	9.39	**8.49**

32 PROVISIONS

	Non current		**Current**	
	As at 31 March 2019	**As at 31 March 2018**	**As at 31 March 2019**	**As at 31 March 2018**
Provision for employee benefit				
Liability for gratuity	3.47	2.16	0.37	0.28
Liability for compensated absences	1.04	0.80	0.12	0.12
	4.51	**2.96**	**0.49**	**0.40**

For details about the related employee benefit expenses, see note 10

The Company operates the following post-employment defined benefit plans:

The Company has a defined benefit gratuity plan in India ("the Plan"), governed by the Payment of Gratuity Act, 1972. The Plan entitles an employee, who has rendered at least five years of continuous service, to gratuity at the rate of fifteen days wages for every completed year of service or part thereof in excess of six months, based on the rate of wages last drawn by the employee at the time of retirement, death or termination of employment. Liabilities for the same are determined through an actuarial valuation as at the reporting dates using the "projected unit cost method".

These defined benefit plans expose the Company to actuarial risks, such as longevity risk, currency risk, interest rate risk and market (investment) risk.

A. Funding

The gratuity plan of the Company is an unfunded plan.

B. Reconciliation of the net defined beneift / liability

The following table shows a reconciliation from the opening balances to the closing balances for the net defined benefit liability and its components

Reconciliation of present value of defined benefit obligation

	As at 31 March 2019	As at 31 March 2018
Balance at the beginning of the year	2.44	1.51
Add: Acquisitions through business combination	0.21	-
Current service cost	0.47	0.34
Interest cost	0.16	0.19
Benefits paid	(0.05)	(0.29)
Actuarial (gains) losses recognised in other comprehensive income		
- changes in financial assumptions	0.48	0.50
- experience adjustments	0.13	0.19
Balance at the end of the year	**3.84**	**2.44**

NOTES forming part of the consolidated financial statements for the year ended 31 March 2019 (Contd.)

(All amounts are in Indian Rupees in crores, except share data and as stated)

32 PROVISIONS (CONTD.)

C. Expense/ (income) recognised in the statement of profit or loss

	Year ended 31 March 2019	Year ended 31 March 2018
Current service cost	0.47	0.34
Interest cost	0.16	0.19
	0.63	**0.53**

Remeasurements recognised in other comprehensive income

	Year ended 31 March 2019	Year ended 31 March 2018
Actuarial gain on defined benefit obligations	0.61	0.69
	0.61	**0.69**

D. Defined benefit obligation

i. Actuarial assumptions

Principal actuarial assumptions at the reporting date (expressed as weighted averages):

	As at 31 March 2019	As at 31 March 2018
Discount rate	7.5% to 7.75%	7.5% to 7.75%
Future salary growth	5% to 10%	5% to 7.5%
Attrition rate	5% to 12.5%	5% to 12.5%

ii. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

	As at 31 March 2019		As at 31 March 2018	
	Increase in %	Decrease in %	Increase in %	Decrease in %
Discount rate (1% movement)	(0.22)	0.24	(0.25)	0.28
Future salary growth (1% movement)	0.24	(0.22)	0.28	(0.25)
Attrition rate (1% movement)	(0.04)	0.04	(0.01)	0.01

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown

NOTES forming part of the consolidated financial statements for the year ended 31 March 2019 (Contd.)

(All amounts are in Indian Rupees in crores, except share data and as stated)

32A NON-CONTROLLING INTERESTS

	31 March 2019	31 March 2018
Rajprotim Supply Chains Solutions Limited	3.78	6.22
Auroma Logistics Private Limited	3.49	-
	7.27	**6.22**

32B PROFIT ATTRIBUTABLE TO NON-CONTROLLING INTERESTS

	Year ended 31 March 2019	Year ended 31 March 2018
Rajprotim Supply Chains Solutions Limited	1.05	1.13
Auroma Logistics Private Limited	0.11	-
	1.16	**1.13**

The following table summarises the information regarding the Group's subsidiary that has material NCI, before any intra-group eliminations:

	As at 31 March 2019			As at 31 March 2018		
	Rajprotim Supply Chains Solutions Limited	Auroma Logistics Private Limited	Total	Rajprotim Supply Chains Solutions Limited	Auroma Logistics Private Limited	Total
NCI percentage	12%	10%		24%	NA	
Non-current assets	8.74	20.63	29.37	8.08	-	8.08
Current assets	75.34	26.76	102.10	51.10	-	51.10
Non-current liabilities	(0.09)	(0.21)	(0.30)	(0.06)	-	(0.06)
Current liabilities	(52.47)	(12.30)	(64.77)	(33.19)	-	(33.19)
Net assets	**31.52**	**34.88**	**66.40**	**25.93**	**-**	**25.93**
Net assets attributable to NCI	**3.78**	**3.49**	**7.27**	**6.22**	**-**	**6.22**
Revenue	116.27	14.65	130.92	118.93	-	118.93
Profit	5.37	1.09	6.46	4.70	-	4.70
OCI	0.01	-	0.01	-	-	-
Total comprehensive income	**5.38**	**1.09**	**6.47**	**4.70**	**-**	**4.70**
Profit allocated to NCI	1.05	0.11	1.16	1.13	-	1.13
OCI allocated to NCI	-	-	-	-	-	-
Total comprehensive income allocated to NCI	**1.05**	**0.11**	**1.16**	**1.13**	**-**	**1.13**
Cash flows used in operating activities	(16.37)	(0.61)	(16.98)	(21.49)	-	(21.49)
Cash flows used in investing activities	(1.22)	(0.06)	(1.28)	(2.15)	-	(2.15)
Cash flows used in financing activities	6.88	-	6.88	5.84	-	5.84
Net cash increase / (decrease) in cash and cash equivalents	**(10.71)**	**(0.67)**	**(11.38)**	**(17.80)**	**-**	**(17.80)**

NOTES forming part of the consolidated financial statements for the year ended 31 March 2019 (Contd.)

(All amounts are in Indian Rupees in crores, except share data and as stated)

32B PROFIT ATTRIBUTABLE TO NON-CONTROLLING INTERESTS (CONTD.)

Additional information pursuant to paragraph 2 of Division II of Schedule III to the Companies Act, 2013 - 'General instructions for the preparation of consolidated financial statements statements' of Division II of Schedule III

As at 31 March 2019

	Net assets (total assets minus total liabilities)		Share in profit or loss		Share in other comprehensive income		Total comprehensive income
	As % of consolidated assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	Amount
Parent:							
ProConnect Supply Chain Solutions Limited	48.60%	62.78	78.95%	24.24	102%	(0.44)	23.80
Subsidiaries:							
Rajprotim Supply Chain Solutions Limited	24.40%	31.52	17.49%	5.37	-2%	0.01	5.38
Auroma Logistics Private Limited	27.00%	34.88	3.55%	1.09	0%	-	1.09
As at 31 March 2019	**100.00%**	**129.18**	**100.00%**	**30.70**	**100.00%**	**(0.43)**	**30.27**

As at 31 March 2018

	Net assets (total assets minus total liabilities)		Share in profit or loss		Share in other comprehensive income		Total comprehensive income
	As % of consolidated assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	Amount
Parent:							
ProConnect Supply Chain Solutions Limited	69.94%	60.32	82.80%	22.63	100%	(0.45)	22.18
Subsidiaries:							
Rajprotim Supply Chain Solutions Limited	30.06%	25.93	17.20%	4.70	0.00%	-	4.70
As at 31 March 2018	**100.00%**	**86.25**	**100.00%**	**27.33**	**100.00%**	**(0.45)**	**26.88**

NOTES forming part of the consolidated financial statements for the year ended 31 March 2019 (Contd.)

(All amounts are in Indian Rupees in crores, except share data and as stated)

33 FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT

A. Accounting classification and fair values

	Note	As at 31 March 2019			As at 31 March 2018		
		FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Financial assets not measured at fair value							
Trade receivables	18	-	-	122.70	-	-	87.34
Cash and cash equivalents	19	-	-	4.73	-	-	0.98
Other bank balances	20	-	-	4.26	-	-	3.72
Loans	22	-	-	12.00	-	-	12.00
Deposits and other receivables	21	-	-	22.98	-	-	12.67
Finance lease receivable	23	-	-	5.44	-	-	5.44
Other financial assets	23	-	-	4.17	-	-	4.80
Total financial assets		**-**	**-**	**176.28**	**-**	**-**	**126.94**
Financial liabilities not measured at fair value							
Trade payables	28	-	-	-	-	-	-
Borrowings	27	-	-	102.96	-	-	45.03
Other financial liabilities	29	-	-	16.05	-	-	0.78
Total financial liabilities		**-**	**-**	**119.01**	**-**	**-**	**45.81**

Note: The Group has not disclosed fair values of financial instruments such as trade receivables, cash and bank balances, loans, deposits and other receivables, trade payables, borrowings because their carrying amounts are reasonable approximations of their fair values.

B. Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the consolidated financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels as follows:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

(a) Financial assets and liabilities measured at amortised cost

The financial instruments that have been measured at amortised costs are fair valued using Level 2 hierarchy. The Group has not disclosed the fair values for certain financial instruments measured at amortised costs as such as trade receivables and payables and other items (refer note 33A), because their carrying amounts are a reasonable approximation of fair value.

	As at 31 March 2019			As at 31 March 2018		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets not measured at fair value						
Deposits and other receivables	-	22.98	-	-	12.67	-
	-	22.98	-	-	12.67	-
Financial liabilities not measured at fair value						
Borrowings	-	102.96	-	-	45.03	-
	-	**102.96**	**-**	**-**	**45.03**	**-**

NOTES forming part of the consolidated financial statements for the year ended 31 March 2019 (Contd.)

(All amounts are in Indian Rupees in crores, except share data and as stated)

33 FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT (CONTD.)

C. Financial risk management

The Group has exposure to the following risks arising from financial instruments:

- credit risk;
- liquidity risk; and
- market risk

i. Risk management framework

The Group's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The board of directors along with the top management are responsible for developing and monitoring the Group's risk management policies.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

ii. Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers; loans and investments.

The carrying amounts of financial assets represent the maximum credit risk exposure.

Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business. The Group establishes an allowance for doubtful debts and impairment that represents its estimate of incurred losses in respect of the Group's trade receivables, certain loans and advances and other financial assets.

The maximum exposure to credit risk for trade and other receivables are as follows:

	Carrying amount	
	As at 31 March 2019	As at 31 March 2018
Trade receivables	122.70	87.34
Unbilled revenue	1.61	-
Total trade and other receivables	**124.31**	**87.34**
Cash and cash equivalents	4.73	0.98
Other bank balances	4.26	3.72
Loans	12.00	12.00
Deposits and other receivables (excluding unbilled revenue)	21.37	12.67
Advance for purchase of shares	-	3.60
Finance lease receivable	5.44	5.44
Others	4.17	1.20
Total	**176.28**	**126.94**

Trade and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment.

Exposures to customers outstanding at the end of each reporting period are reviewed by the Group to determine incurred and expected credit losses. Given that the macro economic indicators affecting customers of the Group have not undergone any substantial change, the Group expects the historical trend of minimal credit losses to continue. Further, management believes that the unimpaired amounts that are past due

NOTES forming part of the consolidated financial statements for the year ended 31 March 2019 (Contd.)

(All amounts are in Indian Rupees in crores, except share data and as stated)

33 FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT (CONTD.)

by more than 30 days are still collectible in full except to the extent already provided, based on historical payment behavior and extensive analysis of customer credit risk. The impairment loss at the reporting dates related to several customers that have defaulted on their payments to the Group and are not expected to be able to pay their outstanding balances, mainly due to economic circumstances.

The Group determines credit risk based on a variety of factors including but not limited to the age of the receivables, cash flow projections and available press information about customers. In order to calculate the loss allowance, loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency through write-off. Roll rates are calculated separately for exposures in different stages of delinquency primarily determined based on the time period for which they are past due.

Receivables from customers that individually constituted more than 10% of the Group's receivables are as follows:

	As at 31 March 2019	As at 31 March 2018
Customer A	10.05	12.01
	10.05	**12.01**

The ageing of trade receivables that were not impaired as at the reporting date was:

As at 31 March 2019

	Gross carrying amount	Weighted-average loss rate	Loss allowance	Whether credit -impaired
Not due	60.43	0.00%	-	No
Past due 1-90 days	39.33	0.00%	-	No
Past due 90-180 days	14.28	0.00%	-	No
Past due 181-270 days	4.56	0.00%	-	No
Past due 271-365 days	4.10	0.00%		No
Past due for more than 365 days	0.66	100.00%	(0.66)	No
Total	**123.36**		**(0.66)**	

As at 31 March 2018

	Gross carrying amount	Weighted-average loss rate	Loss allowance	Whether credit -impaired
Not due	45.16	0.00%	-	No
Past due 1-90 days	32.11	0.00%	-	No
Past due 90-180 days	9.21	0.00%	-	No
Past due 181-270 days	0.86	0.00%	-	No
Past due 271-365 days	-	0.00%	-	No
Past due for more than 365 days	0.18	100.00%	(0.18)	No
Total	**87.52**		**(0.18)**	

Movements in the allowance for impairment in respect of trade receivables and loans

The movement in the allowance for impairment in respect of trade receivables and loans is as follows:

	As at 31 March 2019	As at 31 March 2018
Balances at 1 April	0.18	0.15
Provision for the year	0.48	0.03
Balance at 31 March	**0.66**	**0.18**

(All amounts are in Indian Rupees in crores, except share data and as stated)

33 FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT (CONTD.)

Cash and bank balances (includes amounts classified under other bank balances and deposits and other receivables

The Group holds cash and bank balances of INR 8.99 crores at 31 March 2019 (31 March 2018: INR 4.70 crores). The credit worthiness of such banks and financial institutions are evaluated by the management on an ongoing basis and is considered to be good.

Security deposits

This balance is primarily constituted by deposit given in relation to leasehold premises occupied by the Group for carrying out its operations. The Group does not expect any losses from non-performance by these counter-parties.

iii. Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group'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, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. The Group uses activity-based costing to cost its products and services, which assists it in monitoring cash flow requirements and optimising its cash return on investments.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments and exclude the impact of netting agreements:

	Carrying amount	Contractual cash flows					
		Gross	6 months or less	6-12 months	1-2 years	2-5 years	More than 5 years
As at 31 March 2019							
Non derivative financial liabilities							
Loans from banks	92.70	95.55	78.40	0.70	8.57	7.88	-
Finance lease obligation	10.26	12.80	1.28	1.28	2.56	7.68	-
Trade payables	-	-	-	-	-	-	-
Other financial liabilities	16.05	19.38	3.95	5.58	0.50	9.35	-
	119.01	**127.73**	**83.63**	**7.56**	**11.63**	**24.91**	**-**
As at 31 March 2018							
Non derivative financial liabilities							
Loans from banks	40.14	40.14	40.14	-	-	-	-
Finance lease obligation	4.89	4.89	0.32	0.34	0.73	3.50	-
Trade payables	-	-	-	-	-	-	-
Other financial liabilities	0.78	0.78	0.78		-	-	-
	45.81	**45.81**	**41.24**	**0.34**	**0.73**	**3.50**	**-**

iv. Market risk

Market risk is the risk that changes in market prices - such as foreign exchange rates and interest rates will affect the Group's income or the value of holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters and optimising the return.

NOTES forming part of the consolidated financial statements for the year ended 31 March 2019 (Contd.)

(All amounts are in Indian Rupees in crores, except share data and as stated)

33 FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT (CONTD.)

The following table analyzes foreign currency risk from financial instruments:

	As at 31 March 2019		As at 31 March 2018	
	₹	USD	₹	USD
Financial assets:				
Trade receivables	113.58	9.12	78.74	8.60
Unbilled receivables	1.61	-	-	-
Loans	12.00	-	12.00	-
Cash and cash equivalents	4.73	-	0.98	-
Other bank balances	4.26	-	3.72	-
Lease receivable	5.44	-	5.44	-
Other financial assets				
- Security deposits	22.98	-	12.67	-
- Advance for purchase of shares	-	-	3.60	-
- Others	1.37	1.19	1.20	-
Financial liabilities:				
Short term borrowings	(102.96)	-	(45.03)	-
Trade payables	-	-	-	-
Advance from customers	(0.01)	-	(0.02)	-
Others	(16.04)	-	(0.76)	-
Net assets / (liabilities)	**46.96**	**10.31**	**72.54**	**8.60**

Sensitivity analysis

A reasonably possible strengthening (weakening) of the US dollar against Indian Rupees (₹) at 31 March 2019 and 2018 would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

	Profit / (loss)		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
31 March 2019				
USD (1% movement)	(0.10)	0.10	-	-
31 March 2018				
USD (1% movement)	**(0.09)**	**0.09**	**-**	**-**

Interest rate risk

The Group has only one type of variable rate instrument i.e. cash credit facility being used for cash management purposes. Group's exposure to variable rate instruments is insignificant.

Exposure to interest rate risk

The interest rate profile of the Group's interest-bearing financial instruments is as follows:

Variable-rate instruments

	As at 31 March 2019	As at 31 March 2018
Fixed rate instruments		
Financial assets - Other bank balances	4.26	3.72
Financial assets - Loans	12.00	12.00
Financial assets - Finance lease receivable	5.44	5.44
Financial liabilities- Finance lease obligation	(10.26)	(4.89)
Financial liabilities- Term Loan	(15.00)	-
Financial liabilities- Working capital demand loan	(31.95)	(16.00)
	(35.51)	**0.26**
Variable-rate instruments		
Financial liabilities- Secured loan	**(45.75)**	**(24.14)**
	(45.75)	**(24.14)**

NOTES forming part of the consolidated financial statements for the year ended 31 March 2019 (Contd.)

(All amounts are in Indian Rupees in crores, except share data and as stated)

33 FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT (CONTD.)

Cash flow sensitivity analysis for variable rate instruments

A reasonable possible change of 100 basis points (bp) in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

	Effect on profit and loss before tax	
	100 bp increase	**100 bp decrease**
31 March 2019		
Variable-rate instrument	(0.46)	0.46
Cash flow sensitivity (net)	**(0.46)**	**0.46**
31 March 2018		
Variable-rate instrument	(0.24)	0.24
Cash flow sensitivity (net)	**(0.24)**	**0.24**

34 OPERATING LEASES

Leases as lessee

The Group has taken on lease a number of offices and warehouse facilities under cancellable operating leases. The leases are for varied periods, which are renewable at the option of the Group.

Amounts recognised in profit or loss

	As at 31 March 2019	As at 31 March 2018
Lease expense - minimum lease payments	**61.19**	**46.07**

35 CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

	As at 31 March 2019	As at 31 March 2018
Estimated amount of contracts remaining to be executed on capital account and not provided	0.29	0.38
Contingent liabilities:		
Bank guarantees issued	**7.00**	-

36 RELATED PARTIES

A. Names of related parties and description of relationship

Nature of Relationship	Name of the Party
Holding company	Redington (India) Limited
Fellow subsidiaries	Ensure Support Services (India) Limited
Holding company's trust	Foundation for CSR @ Redington
Key Management Personnel	Mr. E.H. Kasturi Rangan (Director)
	Dr. R. Arunachalam, Chief Executive Officer (CEO)
	Mr. Kasi Viswanathan P.S, Chief Finance Officer (CFO)

NOTES forming part of the consolidated financial statements for the year ended 31 March 2019 (Contd.)

(All amounts are in Indian Rupees in crores, except share data and as stated)

36 RELATED PARTIES (CONTD.)

B. Transaction with key management personnel

Key management personnel of the Group comprise of the Board of Directors and key members of management having authority and responsibility for planning, directing and controlling the activities of the Group. The key management personnel compensation during the year are as follows:

	Director	CEO	CFO	Total
For the year ended 31 March 2019				
Short term employee benefits	-	0.78	0.43	1.21
Post-employment defined benefits	-	*	*	*
Compensated absences	-	*	*	*
Stock Compensation expense	-	0.22	0.13	0.35
Sitting fees	0.05	-	-	0.05
Total	**0.05**	**1.00**	**0.56**	**1.61**
For the year ended 31 March 2018				
Short term employee benefits	-	0.74	0.40	1.14
Post-employment defined benefits	-	*	*	*
Compensated absences	-	*	*	*
Stock Compensation expense	-	0.06	0.03	0.09
Sitting fees	0.01	-	-	0.01
Total	**0.01**	**0.80**	**0.43**	**1.24**

Compensation of the Group's key management personnel includes salaries, non-cash benefits and contributions to post-employment defined benefit plan (see Note 10).

* Amount attributable to post employment benefits and compensated absences have not been disclosed as the same cannot be identified distinctly in the actuarial valuation.

C. Related party transactions other than those with key management personnel

	Transaction value		Balance outstanding	
	Year ended 31 March 2019	Year ended 31 March 2018	As at 31 March 2019	As at 31 March 2018
Sale of goods and services				
Redington (India) Limited	65.39	67.91	9.34	7.49
Rental Expenses				
Redington (India) Limited	3.18	2.41	0.49	-
Ensure Support Services India Limited	0.28	0.32	-	0.04
Service charges				
Redington (India) Limited	0.22	0.69	-	-
Ensure Support Services India Limited	0.07	0.08	-	0.02
Interest expense				
Redington (India) Limited	0.04	0.58	-	-
Proceeds from issue of equity shares				
Redington (India) Limited	25.00	-	-	-
Loan taken				
Redington (India) Limited	5.00	14.00	-	-
Loan repaid				
Redington (India) Limited	5.00	24.00	-	-
Dividend paid				
Redington (India) Limited	4.35	3.62	-	-
Reimbursement of expenses				
Ensure Support Services India Limited	-	0.01	-	-

(All amounts are in Indian Rupees in crores, except share data and as stated)

37 LIST OF SUBSIDIARIES

	Country of incorporation	Ownership interest	
		As at 31 March 2019	As at 31 March 2018
Name of direct subsidiaries of the Company			
Rajprotim Supply Chain Solutions Limited	India	88%	76%
Auroma Logistics Private Limited	**India**	**90%**	**NA**

38 SHARE BASED PAYMENT TRANSACTIONS

A. Details of Stock appreciation rights

On 30 December 2017, Redington (India) Limited ('the Holding Company') granted 1,104,000 Stock Appreciation Rights (SARs) to the eligible employees and directors of the Company (Proconnect Supply Chain Solutions Limited) under the Redington Stock Appreciation Right Scheme, 2017 ('SAR Scheme'). The SAR scheme was duly approved by the Board of Directors and the Shareholders of the Holding Company pursuant to which the shares of the Holding Company will be issued to the eligible employees and directors of the Company.

Each SAR entitle the employees and directors to receive equity shares of the Company equivalent to the increase in value of one equity share ('Appreciation') of the holding company. Appreciation is calculated by reducing the issue price / base price from the reported closing price of the equity shares in the NSE / BSE where there is highest trading, on the day prior to the date of exercising of these SARs and multiplying the resultant with the number of SARs exercised.

These SARs vest over a period of 3 years from the date of the grant in the following manner:

10% of the SARs vest after a period of one year from the grant date, 20% of the SARs vest after a period of two years from the grant date and 70% of the SARs vest after a period of three years from the grant date. These SARs are exercisable within a period of three years from the respective date of vesting.

Certain SARs granted to the members of senior management team as identified by the Nomination and Remuneration committee of the Holding Company have an associated performance condition. Of the total SARs granted to senior management team, 35% of the SARs that would vest at the end of 3 years from the date of the grant are subject to these performance condition.

B. Measurement of fair values

The fair value of these SARs were determined based on the grant date fair values using the Black Scholes model. The fair value of the options and inputs used in the measurement of the grant date fair values of the equity settled SARs are as follows:

Particulars	31 March 2019	31 March 2018
Fair value at grant date (weighted-average) *	INR 71.99 per SAR	INR 71.99 per SAR
Share price at grant date *	INR 174.60 per share	INR 174.60 per share
Base price / Exercise price *	INR 148.50 per SAR	INR 148.50 per SAR
Expected volatility (weighted-average) *	35.72%	35.72%
Expected life (weighted-average) *	4.10 years	4.10 years
Expected dividends *	1.20%	1.20%
Risk-free interest rate (weighted-average) *	7.02%	7.02%

Expected volatility has been based on an evaluation of the historical volatility of the Holding company's share prices. The expected term of the instruments has been determined based on the average of vesting period and the contractual term of the instruments.

* All the above inputs have been determined by the Holding Company basis the underlying information applicable in respect of the Holding Company.

NOTES forming part of the consolidated financial statements for the year ended 31 March 2019 (Contd.)

(All amounts are in Indian Rupees in crores, except share data and as stated)

38 STOCK APPRECIATION RIGHTS (CONTD.)

C. Reconciliation of outstanding share options

The number and weighted-average exercise prices of SARs under the share option plan were as follows:

Particulars	Number of SARs	
	31 March 2019	31 March 2018
Outstanding as at 1 April	1,104,000	Nil
Add: Granted during the year	-	1,104,000
Less: Exercise during the year	-	-
Less: Forfeited during the year	-	-
Outstanding as at 31 March	1,104,000	1,104,000
SARs exercisable at the end of the year	Nil	Nil

The SARs outstanding as at 31 March 2019 and 31 March 2018 have a base price / exercise price of INR 148.50 per SAR and a weighted average remaining contractual life of 2.85 years (31 March 2018: 3.85 years). No SARs were exercised during the year.

D. Expense recognized in statement of profit and loss

The Company has recognized costs with respect to those SARs which were issued to the employees and directors of the Company in the statement of profit and loss as employee benefit expenses. For details on the employee benefit expenses refer note 10. The corresponding credits are accumulated in capital reserves. For details refer note 25B.

39 ACQUISITION OF CUSTOMER CONTRACTS FROM RAJPROTIM AGENCIES PRIVATE LIMITED ('RAPAL')

The group entered into a Business Transfer and Share Subscription Agreement ('BTSSA) on 21 December 2016 with RAPAL and Mr. Partha Pratim Banerjee ('PPB') to acquire a set of identified customer contracts from RAPAL for a fixed purchase consideration of INR 5.00 crore. Pursuant to such agreement, RAPAL has transferred 38 contracts to the Company till 31 March 2017. Since the contracts are expected to provide economic benefits to the Company, the Company has accounted for the transfer of the aforesaid customer contracts as acquisition of intangible assets. The Company had paid INR 3.71 crores till 31 March 2017 and capitalised the same. During the previous year, the Company paid the balance INR 1.29 crores for remaining contracts as purchase consideration.

40 DUE TO MICRO, SMALL AND MEDIUM ENTERPRISES

Under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) which came into force from 2 October 2006, certain disclosures are required to be made relating to dues to micro, small and medium enterprises (MSME). On the basis of the information and records available with the management, none of the Company's suppliers are covered under the MSMED and accordingly, disclosure of information relating to principal, interest accruals and payments are not applicable.

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
(a) the principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier at the end of each accounting year;	-	-
(b) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
(c) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
(d) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-

NOTES forming part of the consolidated financial statements for the year ended 31 March 2019 (Contd.)

(All amounts are in Indian Rupees in crores, except share data and as stated)

40 DUE TO MICRO, SMALL AND MEDIUM ENTERPRISES (CONTD.)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
(e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

41 BUSINESS COMBINATIONS

A. Business combinations during the year

i. Acquisition of Auroma Logistics Private Limited ("ALPL") , a subsidiary

During the year, the Company acquired 90% interest in Auroma Logistics Private Limited under a share purchase agreement dated 7 March 2019. ALPL is primarily engaged in providing third party logistics solutions (3PL) comprising of warehouse management, handling of goods and transportation of goods.

The transaction was accounted under Ind AS 103 "Business Combinations" as a business combination with the purchase price being allocated to identifiable assets and liabilities at fair value.

A. Consideration transferred

The following table summarises the acquisition date fair value of each class of consideration transferred:

Particulars	Amount
Cash	38.17
Contingent consideration	7.16
Total consideration for business combination	**45.33**

The contingent consideration is payable within a range of 3 to 6 months from the date of completion of cash payment i.e. 6 March 2019. The fair value of the contingent consideration is determined by discounting the estimated amount payable to the sellers on retaining of certain identified customer contracts. At acquisition date, the key inputs used in determination of fair value of contingent consideration are the discount rate of 13.4% and the probabilities of retaining of certain customer contracts. As at 31 March 2019, the fair value of the contingent consideration is INR 7.16 crores and is classified as other financial liability.

B. Acquisition related cost

The Group has incurred acquisition-related cost of INR 1.90 crores on legal fee and due diligence costs. These cost have been included in legal and professional fees under other expenses.

C. Identifiable assets acquired and liabilities assumed

The following table summarises the recognised amount of assets acquired and liabilities assumed on the date of acquisition:

	Amount
Property, plant and equipment	1.05
Customer relationship - Intangible assets	15.01
Trade receivables	6.57
Cash and cash equivalents	4.39
Other bank balances	3.60
Deposits and other receivables	2.83
Deferred tax assets	0.23
Other current assets	1.40
Trade payables and provisions	(1.33)
Deferred tax liabilities	(4.37)
Less: Proportionate value of non-controlling interests	(3.39)
Total net identifiable assets acquired	**25.99**

NOTES forming part of the consolidated financial statements for the year ended 31 March 2019 (Contd.)

(All amounts are in Indian Rupees in crores, except share data and as stated)

41 BUSINESS COMBINATIONS (CONTD.)

D. Goodwill

	Amount
Consideration transferred	45.33
Fair value of net identifiable assets	(25.99)
Goodwill	**19.34**

The goodwill is attributable mainly to the an increased share of the warehouse management services market through access to the Auroma's customer base and the synergies expected to be achieved from integrating Auroma into Group's existing Supply Chain Management bussiness. The Group also expects to reduce cost through economies of scale.

None of the goodwill recognised is expected to be deductible for income tax purposes.

B. Acquisition of non-controlling interests ('NCI')

Rajprotim Supply Chain Solutions Limited ("RCS")

In September 2018, the Group acquired an additional 12 percent interest in Rajprotim Supply Chain Solutions Limited for INR 6.77 crores and paid INR 3.17 crores in cash after offseting advance paid for purchase of shares INR 3.60 crores, increasing its ownership interest from 76% to 88%. The carrying amount of RCS's net liabilities in the Group`s consolidated financial statements on the date of acquisition was INR 29.77 crores. The Group consequently derecognised NCI of INR 3.50 crores. The difference of INR 3.27 crores has been adjusted in retained earnings.

	Amount
Carrying amount of NCI acquired/ derecognised	(3.50)
Consideration paid to NCI	6.77
Decrease in equity attributable to owners of the Company	(3.27)

42 SUBSEQUENT EVENTS

There are no significant subsequent events that have occurred after the reporting period till the date of these consolidated financial statements.

As per our report of even date
For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No. 101248W/W-100022

S Sethuraman
Partner
Membership No. 203491

Place: Chennai
Date : 20 May 2019

For and on behalf of the board of directors of
ProConnect Supply Chain Solutions Limited
CIN: U63030TN2012PLC087458

Kasturi Rangan E.H
Director
DIN: 01814089

Krishnan S.V
Director
DIN: 07518349

Arunachalam R
Chief Executive Officer

Kasi Viswanathan P.S
Chief Financial Officer

Vignesh Kumar S M
Company Secretary

Place: Chennai
Date : 20 May 2019

Notes

ProConnect
Integrated Logistics
a Redington company

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