ProConnect
Integrated Logistics
a Redington company

Challenging Times

Changing Strategies

ProConnect Supply Chain Solutions Limited

ANNUAL REPORT
2019-20

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Challenging Times

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Challenges help us grow.

The Financial Year 2019-20 proved to be one filled with many challenges. However, we believe these challenges helped us understand ourselves and our strengths. Overcoming these challenges has triggered a change in our strategy.

We followed the three-prong approach of ‘Now, Where and How’ to navigate through the plethora of challenges that were thrown our way. ‘Now’ is always a good starting point and gives you a perspective of what exactly is going on. Next is understanding ‘Where’ we were and determining ‘Where’ we want to be. This defined our goal. Finally, ‘How’ helped us chalk out a plan to make it happen.

We believe that difficult roads lead to beautiful destinations.

Challenging Times
Changing Strategies

The year 2019-20 saw a drop in our revenue growth rate. Various factors contributed to the same. To counter this, we consciously decided to withdraw from businesses that were yielding negative margins and pulling down overall profitability. We also hired experienced personnel and strengthened our Business Development and Operation Teams.

There have been a lot of changes in the dynamics of E-Commerce segment. Key players have started operating on their own in many major locations. The general industry growth decline of the automobile segment also had an indirect impact on our business.

However, market trends are beyond our control and so are situations like the current pandemic. So we took appropriate steps in areas where we could exercise our control. We strengthened our Business Development Team and hired senior people to look after international business, pharma and automobile verticals.

We have strengthened our focus on deep-sell and cross-sell where we have existing relationship with customers and have demonstrated our expertise. Customer-centric initiatives are being undertaken to provide a hassle-free experience to all our clients.

On the cost front, we had some inefficiencies. Like a sudden spike in insurance premium with respect to some of the ProConnect's Multi-Client Facility (MCF) warehouses. Cost Benefit Analysis was done at a Group level and suitable steps were taken.

During FY 2019-20, the General Insurance Corporation of India (GIC), our national reinsurer, increased the premium rates by nearly five times for goods in Transporter Godowns. Redington stocks in ProConnect's MCF warehouses, fell in this category.

So, we promptly took stock of the situation and undertook a cost benefit analysis. We took adequate measures on a case-to-case basis. To ensure all Redington goods were kept in standalone facilities, following steps were taken.

- Shifted other 3PL clients in 16 warehouses wherein Redington occupied over 90% of the total area
- Constructed partition structures in 7 warehouses, that helped turn each warehouse into a different standalone facility for Redington
- Moved out Redington products in 4 warehouses to newer and smaller warehouses on standalone basis

This resulted in additional cost of shifting and also lead to an increase of our overall operational cost. It affected our efficiency with respect to space and manpower utilization. However, the intent was to take steps that will prove beneficial to the Group as a whole.

The logistics industry predominantly relies on manual systems and processes. However, with the dawn of technology, its adoption has become crucial. We realized that digitalization could help enhance our efficiencies immensely. Hence began our journey on the path of digital transformation.

The logistics industry has been facing several difficulties and digitalization is one of them. At ProConnect, we have always emphasized on increasing our efficiencies through systems and digitalization. We implemented WMS with 100% HHT operation for smoother operations across our warehouses.

Advancements in digital technologies, changing consumer preferences due to e-commerce, government reforms and shift in service sourcing strategies are expected to lead the transformation of the Indian logistics ecosystem.

Digitalization will improve the efficiency and performance in freight management and port operations. Warehouse automation will help achieve operational efficiencies to counter supply-chain cost pressures in the industry. Increased investment in infrastructure, last-mile connectivity and emerging technologies are streamlining the logistics landscape in India.

ProConnect Integrated Logistics
a Redington company

Drop in our margins during FY 2019-20 can largely be attributed to three areas – challenges in Transportation Business, Online Pharma Warehousing Business and drop in Mobility Business due to a change in Customer Business Model.

Last year, our future growth plans were risked due to uncertainties that steered our business in a different direction. Transportation at ProConnect, as a line of business, was on an expansion mode. But various issues in Transportation led to complete erosion of margins.

Challenges faced in Transportation business included

a. Advance payment
b. Delayed receipt of POD
c. Submission of bills
d. Penalty for non-placement of vehicle
e. Higher cost of sourcing
f. Higher interest and depreciation
g. Lack of technology integration with transport service providers

The Company now selectively undertakes only profitable contracts. Advance payment to transportation vendors is slowly being eliminated. Technology is being used to generate instant e-POD's.

Challenges in Online Pharma business:

Pharma was handpicked as a promising sector with significant growth potential. The emergence of e-commerce in pharma further strengthened our confidence. We bagged contracts from several leading Online Pharma players. We made requisite arrangements with regards to logistics, warehousing spaces, temperature-controlled rooms and vehicles, among others. However, due to undue delay in obtaining requisite licenses, we witnessed gross underutilization of resources and investments.

This was an important learning for us and as a mitigating step, we terminated the agreements for all idle warehouses and amended future contracts in the Online Pharma space to include either licensing lead time or retain the responsibility of procuring the License with the customer.

Rajprotim Supply Chain Solutions Limited (RCS), wholly owned subsidiary of ProConnect faced many challenges during FY 2019-20 as it was a transition of day to day operations from the erstwhile promoter to PCS backed new RCS team.

Transportation was identified as one of the sunrise sector for growth post-GST implementation. RCS had an exclusive arrangement with the erstwhile promoter's transportation company to place vehicles. Advances were made out of RCS to help the working capital requirement of the erstwhile promoter's transportation company. However, there were slippages in placement of vehicles and adherence to SLA. RCS was forced to look for alternative transport providers at high cost to meet its customer commitments.

During the year, PCS acquired balance stake in RCS and it is now a wholly owned subsidiary of PCS. We now have a new leadership team in place at RCS. All legacy issues have been cleared, advances given have been provided for in the balance sheet. Initiatives have been undertaken to reduce cost and streamline various processes. RCS is renegotiating the price of old contracts that were entered into by the erstwhile promoter at a loss. RCS is at the cusp of a new chapter with higher revenue and higher profitability.

Message from
Managing Director

> Our long term vision for the Group continues to be buoyant. We strongly believe that logistics will play a critical role in helping India achieve its goal of a USD 5 trillion economy.

Dear Stakeholders,

I present to you our Annual Report for the year 2019-20. As I began penning down my thoughts, the first thing to strike was the deadly COVID-19 pandemic that has shaken the entire world. We are witnessing unprecedented times and enduring disruptions in everyday life. I hope for you, your family and friends to be safe.

As the world witnessed chaos, we at ProConnect were determined to give the best experience to our customers. Our focus was on ensuring a well-choreographed symphony with every department working seamlessly, assuring least disruption. Our IT team ensured employees' transition to 'Work From Home' once the lockdown notice was issued. Operations team continued to operate essential services at select warehouses with due permissions in place. SOP's were brought in place overnight to ensure safety of those risking their livelihood at the forefront. The Human Resource team continued to engage with employees and provide full support wherever required. Business teams were in constant contact with customers. Finance and Legal teams ensured continuity of the business.

I take this opportunity to thank every ProConnectonian who made this possible. We believe this situation too shall pass and will soon become history. Life needs to move on. We strongly believe that as the going gets tough, only the tough can get going.

Overall, FY 2019-20 was quite challenging for all of us at ProConnect. We had to rethink and restrategize our plans as challenges cropped up during the year. In the course of the year, we acquired balance stakes in Rajprotim and Auroma which are now our wholly owned subsidiaries.

Our consolidated revenue increased from ₹ 403.46 Crs in FY 2018-2019 to ₹ 432.41 Crs in 2019-20, registering a 7% growth in revenue. However, EBITDA for the year was just ₹ 0.32 Crs. This was due to the strict provisioning norms we had to follow in one of our subsidiary companies, considering the current situation. Our investments in Rajprotim and Auroma were also subject to impairment due to drop in valuations as on the closing date of the year.

Our long term vision for the Group continues to be buoyant. We strongly believe that logistics will play a critical role in helping India achieve its goal of a USD 5 trillion economy. Despite challenges, we will continue to strengthen our capabilities and draw synergy from our Parent, Redington Group, and catapult to newer heights in the years to come. In a way, we feel COVID-19 is leading to consolidation of business in the hands of organised players with resilience and ability to manage a high adversity quotient, as with your Company.

I thank our Parent Company for their patience, our Directors for their consistent guidance, our business partners who understand us well, our supportive bankers and all other stakeholders for their trust in us. I look forward to the continued support from you all as we embark on this new journey.

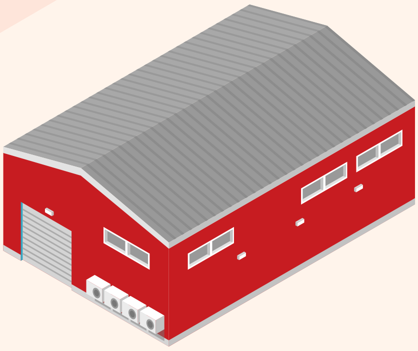
Regards and Best Wishes,

E. H. Kasturi Rangan

Managing Director

Who are we?

ProConnect is an integrated logistics player and an end-to-end supply chain specialist with over two decades' experience.



What we do?

We are a supply chain management, warehousing, and end-to-end supply chain specialist. Positioned among the key Third-Party Logistics (3PL), we are among the top ten supply chain logistics providers in India. Head quartered in Chennai, we operate across India, through our growing network of over 170 warehouses, providing a well-planned, sophisticated and a cohesive package of solutions.

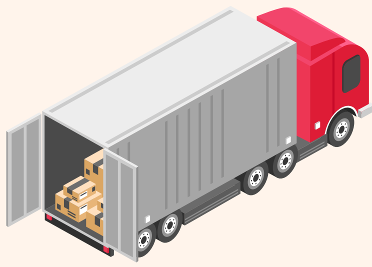
Our full range of 3PL services cover all verticals of new age businesses and mission critical support. We also offer the state-of-the-art Warehouse Management System (WMS) with online communication links which can be integrated with any ERP to meet today's fast-paced businesses.

What we offer ?

- Mission Critical Services
- Warehousing
- Transportation
- Import & IOR Services
- Cold Storage
- 3PL to E-commerce
- Reverse Logistics

Where are we ?

- IT / Electrical & Electronics
- E-commerce
- FMCG / FMCD
- Food
- Pharma
- Telecom & Infrastructure
- Automobiles



20,214+
Pin codes presence

109 mn
Units handled

17.4 mn
Transactions handled

20+ years
Logistics experience

238
Customers

171
Warehouses operated PAN India

2.14 Lakhs
SKUs

1,50,000
Tons of stock handled per annum

38,854
Customer locations

6.2 mn sq. ft.
Warehousing space

Vision

Our vision is to make ProConnect the most innovative Supply Chain Management Services Company, focused on highest value creation for its customers and shareholders.

Mission

At ProConnect, we strive to provide our clients with the best of services customized to meet their unique needs through effective collaboration, management and optimization of its integrated value chain.

Quality

We, at ProConnect Supply Chain Solutions Limited, are committed to provide a best-in-class supply chain solutions to all our clients that enhances customer delight through our relentless pursuit of perfection in our operations that consistently meet the customer requirements. We will strive to continually improve our core competencies to meet the market requirements.

Our Presence

Challenging Times
Changing Approaches

New technologies are transforming the way we plan, design, build, and operate supply chain solutions. Increasing technology innovations are making big waves across logistics and the supply chain industry. Changing times often bring challenges that need to be addressed with the right mindset. We have adopted technologies for building competitive advantages across functional areas, creating strategic opportunities. This has helped us ensure high visibility, efficiency and responsiveness, assuring leading supply chain management.

Our technological investments and their benefits

1 End-to-End Integration of Biometric with Hrms Attendance System Across All Locations Covering All Staff:
- Pay-out based on actuals
- Record of attendance history

2 Integration with Courier SPs for Status and ePOD
- Timely visibility of consignment status and ePOD
- Hassle-free revenue recognition

3 BI Dashboards for Profitability, Revenue Analysis and CRM
- Slice and dice of data on various dimensions, enabling focused action points

4 Integration of WMS with Customers' System
- Reduces manual data entry, efforts and errors
- Improved turn-around

5 Mobility
- Information / Action on the fly; Anytime Anywhere Any Place

6 A One-Stop Arrangement for Partner Experience
- Reports and dashboard, enabling monitoring of business performance, operational performance and adoption statistics

7 Track & Trace
- Tracks the Consignments In-Transit and Lends for Capture of POD
- Real-time visibility of where and when of consignments
- Breach alerts

8 ERP Integrated with Bank for Payment
- Quick and error-free payout
- In-built control on pay-outs

Challenging Times
Changing Responsibilities

CSR at ProConnect is through Foundation for CSR @ Redington, a trust formed by our Parent Company. The foundation's focus areas are Education, Healthcare, Disability and Empowerment of Women.

We have always focused on efforts that can substantially impact the well-being of the lesser privileged segments of the population. Our endeavour is to have a comprehensive approach that is meaningful and with a long-term focus to ensure scalability. We have continuously focused on providing social benefits to the society in its true sense.

While the world was fighting disruption in every aspect of life due to COVID-19, we at ProConnect, with warehouses spread across different geographies in India, were busy in ensuring least impact on our surrounding communities. We have always believed in keeping CSR activities predominantly at our forefront and stand by the underprivileged in their hours of need.

Following are the activities conducted to support communities at grassroot level:

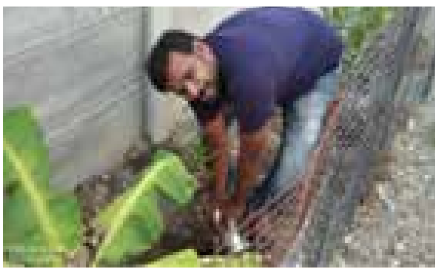
Distribution of ration to people in the villages surrounding our warehouses in Chennai, Tumkur and Delhi






Money and other essentials donated to flood victims in Bangalore

Plantation at Chennai on the world Environment Day

Awards and Recognitions

Best Mission Critical Services Company

Indus – Excellence in Support – 2019

Board of Directors

Mr. E. H. Kasturi Rangan
Managing Director

Mr. Parthasarathi Neogi
Director

Mr. S. V. Krishnan
Director

Mr. Rajesh Neelakanta
Independent Director

Dr. N. Chandrasekaran
Independent Director

Prof. J. Ramachandran
Independent Director

Key Management Team

Mr. Dilip Sharma
Chief Operating Officer
(effective from 1st July 2020)

Mr. N. R. Venkatesan
Chief Financial Officer

Mr. T. Manivannan
Executive Vice President,
Operations

Mr. A. Venkataraman
Executive Vice President,
Business

Mr. N. Jayendran
Chief Technology Officer

Corporate Information

Registered Office
SPL Guindy House,
95 Anna Salai,
Guindy, Chennai - 600 032

Corporate Office
Jandus Building,
Plot no. 33 A, 2nd Floor,
South Phase,
Thiru.Vi.Ka Industrial Estate,
Chennai - 600 032

Website: www.proconnect.co.in

Group Company
Redington (India) Limited

Subsidiaries
Rajprotim Supply Chain Solutions Limited
Auroma Logistics Pvt. Ltd.

Directors
Mr. E. H. Kasturi Rangan
Mr. ParthasarthiNeogi
Mr. S. V. Krishnan
Mr. Rajesh Neelakanta
Dr. N. Chandrasekaran
Prof. J. Ramachandran

Chief Financial Officer
Mr. N. R. Venkatesan

Statutory Auditors
B S R & CO. LLP

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

Boards' Report

To the Members

Your Directors take pleasure in presenting the 8th Annual Report together with the Audited Financial Statements of the Company for the Financial Year ended on 31 March 2020.

FINANCIAL HIGHLIGHTS

(Figures in ₹ Crores)

Particulars	Standalone		Consolidated	
	2019-20	2018-19	2019-20	2018-19
Revenue from operations	267.68	266.80	422.20	397.40
Add: Other Income	10.38	5.89	10.12	6.06
Total Revenue	**278.06**	**272.69**	**432.32**	**403.46**
Less: Expenses:				
Purchase of spares	0.06	0.07	0.05	0.07
Employee Benefits	30.70	28.43	40.26	34.02
Other Expenses	214.13	199.18	388.22	311.27
Finance costs	11.02	4.62	15.69	6.98
Depreciation & Amortization	27.00	5.52	40.33	7.12
Profit before Tax	**(4.85)**	**34.87**	**(52.23)**	**44.00**
Less: Income Tax Expense	0.88	10.62	2.34	13.30
Profit after Tax	**(20.43)**	**24.25**	**(58.17)**	**30.70**

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

Logistics plays a significant role in the overall development and growth of an economy. The fragmented nature of the Indian logistics and supply chain sector coupled with low adoption of technology and global best practices offers significant opportunity for professional logistics players like ProConnect. Government's push on modern infrastructure, dedicated economic corridors and making India a global manufacturing hub would continue to aid a rapidly evolving logistics sector for a fairly long period of time. Cognizant of the issues restraining the sector, the Government is fast developing the National Logistics Policy. With large scale logistics-enabling projects such as Bharatmala, Sagarmala, Dedicated Freight Corridors underway, the sector needs to come of age in order to reap their true benefits over a sustained period of time Subsidiary Companies.

In the backdrop of steadily slowing economic activities and consumer demands in FY 2019-20, ProConnect Supply Chain Solutions Limited (ProConnect) intensified efforts to sustain its market share amid intense competition. With focus on specialized service and high-margin business, ProConnect serves clients from key verticals such as Pharma, Electrical & Electronics, Apparels, E-commerce, Automobile and Mission Critical Services. During the course of the year, ProConnect continued to focus on warehousing and value-added solutions for its clients. The focus in case of transportation was more on part truck load, trimming the thin margin earning FTL (Full Truck Load) lanes.

Consolidated level performance - During the financial year under review your Company's revenue from operations was ₹ 422.20 Crores as compared to ₹ 397.40 Crores during the previous year. Further your Company has incurred loss of ₹ 58.17 Crores as against profit of ₹ 30.70 Crores during the previous year.

SUBSIDIARY COMPANIES

Rajprotim Supply Chain Solutions Limited (Rajprotim), a wholly owned subsidiary company of ProConnect, is a key player in the east and north-eastern region of India. Auroma Logistics Private Limited (Auroma), another wholly owned subsidiary of ProConnect, focuses on Consumer Durables segment especially in the southern region as Key Player. Rajprotim faced huge losses and is now in the process of reducing the costs to reduce its losses and on the path to recovery. During the year ended 31 March 2020, the Company has acquired balance 12% stake in RCS and 10% stake in Auroma making them wholly owned subsidiaries of the Company.

Steady digitisation and modernisation of supply chain processes remained the core improvement theme. A robust ERP system was rolled out in ProConnect in FY 2018-19 and steps were taken to introduce it in its subsidiary companies during FY 2019-20.

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 2020, 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 2020 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

Since the Company has incurred loss during the financial year 2019-20, your Company is not declaring dividend.

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

Foreign exchange earnings - ₹ 38.74 Crores
Foreign exchange expenditure – ₹ 0.52 Crores

BOARD MEETING

During the financial year 2019-20, six Board Meetings were held on 20 May 2019, 22 May 2019, 29 July 2019, 28 October 2019, 22 November 2019 and 30 January 2020.

Attendance records of Board meeting

Name	No. of Meetings held	No. of Meetings attended
Mr. Kasturi Rangan E H	6	6
Mr. S V Krishnan	6	6
Mr. Parthasarthi Neogi	6	6
Mr. Rajesh Neelakanta	6	6
Dr. N Chandrasekaran	6	6
Mr. Ramachandran Jayaraman	5	5

COMMITTEE MEETINGS

During FY 20, the Audit Committee met three times on 20 May 2019, 29 July 2019 and 28 October 2019.

The Nomination and remuneration Committee met two times on 20 May 2019 and 29 July 2019.

The Corporate Social Responsibility Committee met once on 20 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	3	3
Mr. Rajesh Neelakanta	Independent Director	Member	3	3
Dr. N Chandrasekaran	Independent Director	Member	3	3

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 (Ceased to be member effective 22 May 2019)	Managing Director	Member	1	1
Ramachandran Jayaraman (Appointed as member effective 22 May 2019)	Independent Director	Member	1	1

Boards' Report (Contd.)

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), Dr. N Chandrasekaran (DIN: 01774322) and Prof. Ramachandran Jayaraman (DIN: 00004593) Independent Directors have given their declaration in terms of Section 149(6) of the Companies Act 2013.

Directors and Key Managerial Personnel

The members of the Company at its seventh Annual General Meeting held on 25 July 2019 approved appointment of Prof. Ramachandran Jayaraman (DIN: 00004593) as an Independent Director for a period of five years w.e.f 20 May 2019 and Mr. E H Kasturi Rangan (DIN: 01814089) as Managing Director for a period of five years w.e.f 23 May 2019.

Mr. Vignesh Kumar S M, Company Secretary resigned w.e.f. 24 August 2019 and Mr. P S Kasi Viswanathan, Chief Financial Officer resigned w.e.f 21 February 2020.

In accordance with the Articles of the Company, Mr. Parthasarthi Neogi (DIN: 01816223) 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 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.

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.

Secretarial Auditors

Ms. R. Bhuvana was appointed as Secretarial Auditor for the financial year 2019-20. The Secretarial Report is appended as Annexure F to this Report. The Secretarial Auditor has made below remark in her Report.

Whereas in terms of the provisions of Section 203 of the Companies Act, 2013, the Company was required to have Company Secretary. The Company has not filled in the intermittent vacancy of the position of Company Secretary as on 31.03.2020.

Board response to Secretarial Auditor Remark:

Mr. Vignesh Kumar S M, Company Secretary resigned w.e.f. 24 August 2019. The management initiated necessary steps to identify Company Secretary for the Company. Ministry of Corporate Affair vide its circular dated 3 January 2020 amended the requirement of appointment of Company Secretary for companies with Paid Up Capital below 10 Crores, effective 1 April 2020.

It is not mandatorily required to appoint Company Secretary for the Company as per the above amendment. However, the Company is in process of identifying suitable candidature for Company Secretary position to ensure good corporate governance.

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.

Boards' Report (Contd.)

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

Your Company has constituted an Internal Complaints Committee as required under The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. No complaint was reported by any employee pertaining to Sexual Harassment 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, and investments made are given in note 24 and note 18, to the standalone financial statements respectively.

The Company has not given any guarantee or securities.

The Annual Return of the company is available in the website: https://proconnect.co.in/

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 under review, there were no companies which have ceased to be Subsidiaries, joint ventures or associate companies.
- During the financial year under review, 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 under review.
- 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 2020 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 : 9 June 2020

Annexure A

FORM - AOC1

SALIENT FEATURES OF FINANCIAL STATEMENTS OF SUBSIDIARIES/ASSOCIATES AS PER COMPANIES ACT,2013 as on 31st March 2020

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-Jul-16	31-Mar-20	INR	1.0000	1,116.66	(3,131.82)	3,556.51	5,571.66	-	7,351.34	(5,043.57)	(59.80)	(5,103.37)	-	100%	100%
2	Auroma Logistics Private Limited	07-Mar-19	31-Mar-20	INR	1.0000	1.00	2,332.63	3,985.70	1,652.07	-	8,220.99	506.13	(127.82)	378.31	-	100%	100%

E H Kasturi Rangan
Managing Director
(DIN-01814089)

Parthasarthi Neogi
Director
DIN: 01816223

N R Venkatesan
Chief Financial Officer

Dr. R Arunachalam
Chief Executive Officer

Place: Chennai
Date : June 06, 2020

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
Chairman
DIN: 01814089

Place : Chennai
Date : 9 June 2020

Annexure C

Policy on appointment of Directors & Policy on remuneration to Directors, Key Managerial Personnel's and other employees

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

Annexure C (Contd.)

It is to be ensured that Key Managerial Personnel (KMP) and Senior Management Personnel are paid as per the 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 longtime 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 2019-20

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- ₹ 3516.94 Lakhs

4. Prescribed CSR expenditure for the year 2019-20 (2% of the amount as in item 3 above) - ₹ 70.34 Lakhs.

5. Details of CSR Spent during the Financial Year.

a) Total amount to be spent in the Financial Year : *₹ 70.34 Lakhs

b) Total amount spent in the financial year : *₹ 70.34 Lakhs

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)

Sl. 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	Amount spent (Direct or through trust route)
1	READ	Education	Various Places across Tamilnadu, New Delhi & Madhya Pradesh	22.97	22.97	Through Foundation for CSR @ Redington
2	REACH	Education		34.00	24.40	
3	Excellence	Education		-	9.00	
4	Wellness Program & Revival of Health Centres	Preventive Health Care		-	-	
5	Environmental	Environment		9.85	9.85	
4	Common expenses			3.52	3.52	
	Total			**70.34**	**69.74**	

During FY 20, the total expenditure budgeted by the foundation was ₹ 70.34 Lakhs. Out of which the foundation spent ₹ 69.74 Lakhs and balance is to be spent during H1 FY21 for activities identified. This is earmarked primarily for the existing projects.

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

For and on behalf of the Board of Directors

E.H. Kasturi Rangan
Chairman
DIN: 01814089

Place : Chennai
Date : 9 June 2020

Annexure E

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31 March 2020

[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:

Sl. 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	Integrated Registry Management services Pvt. Ltd 2nd Floor Kences Towers No.1 Ramakrishna Street, North Usman Road, T Nagar, Chennai – 600017. Email: Corpserv@integratedindia.in

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	76.5%
2	Transportation	522	23.5%

III. PARTICULARS OF HOLDING AND SUBSIDIARY COMPANIES

Holding Company

Sl. 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

Sl. 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	100 %	Sec. 2(87)
2	Auroma Logistics Private Limited	72A, Ballygunj Place South Point School Kolkata West Bengal 700019	U74999WB2009PTC153684	Subsidiary	100 %	Sec. 2(87)

Annexure E (Contd.)

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

i) Category-wise Share Holding

Sl. 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	90,81,459	-	90,81,459	100.00	90,81,459	-	90,81,459	100.00	0.00
(e)	Financial Institutions/ Banks	-	-	-	-	-	-	-	-	-
(f)	Any Other (Total)	-	-	-	-	-	-	-	-	-
	Sub-Total (A)(1)	**90,81,459**	**6**	**90,81,465**	**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)		**90,81,459**	**6**	**90,81,465**	**100.00**	**90,81,459**	**6**	**90,81,465**	**100.00**	**0.00**
(B)	Public share-holding									
(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	-	-	-	-	-	-	-	-	-

Annexure E (Contd.)

Sl. 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	
(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)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
(2)	**Non-institutions**									
(a)	Bodies Corporate	-	-	-	-	-	-	-	-	-
(b)	Individuals - i. Individual Shareholders Holding Nominal Share Capital Up To > ₹ 1 Lakh.	-	-	-	-	-	-	-	-	-
	Individuals - ii. Individual Shareholders Holding Nominal Share Capital In Excess Of ₹ 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)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Annexure E (Contd.)

Sl. 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	
Total Public Shareholding (B)= (B)(1)+(B)(2)		-	-	-	-	-	-	-	-	-
TOTAL (A)+(B)		-	-	-	-	-	-	-	-	-
(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)		**90,81,459**	**6**	**90,81,465**	**100.00**	**90,81,459**	**6**	**90,81,465**	**100.00**	**0.00**

(ii) Shareholding of Promoters

Sl. 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	90,81,459	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
8	Mr. M B Krishnan*	1	0.00	Nil	1	0.00	Nil	0.00
	Total	**90,81,465**	**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 (1st April 2019)	90,81,459	100	90,81,459	100
	At the End of the year (31st March 2020)	90,81,459	100	90,81,459	100

Annexure E (Contd.)

(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

(VI) INDEBTEDNESS

(₹ In Crores)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	61.11	10.26	-	71.37
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	3.12	-	3.12
Total (i+ii+iii)	**61.11**	**13.38**	**-**	**74.49**
Change in Indebtedness during the financial year				
Additions	127.06	74.48	-	201.54
Reduction	(96.36)	(60.55)	-	(156.91)
Net Change	**30.70**	**13.93**	**-**	**44.63**
Indebtedness at the end of the financial year				
i) Principal Amount	91.81	27.31	-	119.12
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	
Total (i+ii+iii)	**91.81**	**27.31**	**-**	**119.12**

VII. REMUNERATION TO DIRECTOR AND KEY MANAGERIAL PERSONNEL

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

(₹ In Lakhs)

Particulars of Remuneration	Mr. E. H. Kasturi Rangan* Managing Director	Total
Gross salary		
(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	70.09	70.09
(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.29	0.29
(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil
Stock Option	Nil	Nil
Sweat Equity	Nil	Nil
Commission		
- as % of profit		
- others, specify…	Nil	Nil
Stock appreciation rights (in Nos)	Nil	Nil
Total (A)	**70.38**	**70.38**
Ceiling as per Act	As per Schedule V of Companies Act, 2013	

*Mr. E.H. Kasturi Rangan, Director was appointed as Managing Director effective 23 May 2019.

Note: The above remuneration disclosure is made as per Income Tax Act, 1961.

Annexure E (Contd.)

B. REMUNERATION TO OTHER DIRECTORS:

(₹ In Lakhs)

Particulars of Remuneration	Non-Executive Directors	Independent Directors		Total Amount
Name of Directors	**Ramachandran Jayaraman**	**Mr. Rajesh Neelakanta**	**Dr. N Chandrasekaran**	
Fees for attending Board/ Committee Meetings	0.80	1.75	1.85	4.40
Commissions	-	-	-	-
Others, Please Specify	-	-	-	-
Total (B)	**0.80**	**1.75**	**1.85**	**4.40**
Overall Ceiling as per the Act			Not applicable since no commission is payable for FY 2019-20 in view of inadequate profit	
TOTAL (A) + (B)				**74.78**
Overall Ceiling as per the Act			Not applicable in view of Inadequate profit	

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL

Sl. no.	Remuneration Particulars of	Key Managerial Personnel			
		Dr. R. Arunachalam **CEO**	**Mr. P. S. Kasi Viswanathan** **CFO (Until 21st February 2020)**	**Mr. S.M. Vignesh Kumar** **Company Secretary (Until 24th August 2019)**	**Total**
Gross salary					
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	54.07	52.96	1.86	**108.89**
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	0.29	0.22	-	**0.51**
(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)	-	-	-	-
	Total	**54.36**	**53.18**	**1.86**	**109.40**

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL

For and on behalf of the Board of Directors

E.H. Kasturi Rangan
Chairman
DIN: 01814089

Place : Chennai
Date : 9 June 2020

Annexure F

Secretarial Audit Report

For the Financial Year Ended on 31 March 2020

[Pursuant to Section 204(1) of the Companies Act, 2013 and RuleNo.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,

ProConnect Supply Chain Solutions Limited

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

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

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31 March 2020 according to the provisions of –

1. The Companies Act, 2013 (the Act) and the Rules made thereunder;

2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder – Not applicable to the Company

3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder

4. The Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent applicable to Foreign Direct Investment (FDI);

5. The following Regulations and guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') are not applicable to the Company as none of its securities are listed:

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

   b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

   c) The Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2018;

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

   e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

   f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;

   g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;

   h) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018;

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

6. As per the information and explanation provided to us, there are no sector specific Acts or Regulations applicable to the Company.

   We have also examined compliance with applicable clauses of Secretarial Standards issued by the Institute of Company Secretaries of India and notified by the Ministry of Corporate Affairs.

   During the period under review the Company has complied with the provisions of the Acts, Rules Regulations, Guidelines, Standards, etc. mentioned above except that one form DI in respect of Downstream Investment by the company is pending RBI approval and subject to the following:

Annexure F (Contd.)

In terms of the provisions of Section 203 of the Companies Act, 2013, the Company was required to have Company Secretary. The Company has not filled in the intermittent vacancy of the position of Company Secretary as on 31.03.2020.

However, as on the date of this report, the applicability for appointment of Company Secretary is not applicable to this company.

We further report that,

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

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least 7 days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

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

For RBJV & Associates

R. Bhuvana
Partner – RBJV & Associates
Practicing Company Secretaries
FRN: P2016TN053800
Membership No. F10575
Certificate of Practice No. 8161
UDIN : A022108B000321726

Place : Chennai
Date : 6 June 2020

This Report is to be read with our letter of even date which is annexed as Annexure 1 and forms an integral part of this report.

Annexure 1

To,
The Members
ProConnect Supply Chain Solutions Limited

Our Report of even date is to be read along with this letter.

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

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.

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

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

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

For RBJV & Associates

R. Bhuvana
Partner – RBJV & Associates
Practicing Company Secretaries
FRN: P2016TN053800
Membership No. F10575
Certificate of Practice No. 8161
UDIN : A022108B000321726

Place : Chennai
Date : 6 June 2020

Financial Statements

Standalone

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Independent Auditors' 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 2020, 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 2020, and loss 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 on the Standalone financial statements.

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 Director's Report, but does not include the financial statements and our auditors' report thereon. The Company's Director's 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. When we read the Company's Director's Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Management's and Board of Directors' 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 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, the 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Independent Auditors' Report (Contd.)

The 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 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 in the standalone financial statements made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors 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 (Auditors' 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.
2. (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.

Independent Auditors' Report (Contd.)

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 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls 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 Auditors' 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 financial statements since they do not pertain to the financial year ended 31 March 2020.

(C) With respect to the matter to be included in the Auditors' 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

Praveen Kumar Jain
Partner
Membership No. 079893
ICAI UDIN: 20079893AAAABB4762

Place: Chennai
Date: 9 June 2020

Annexure A to the Independent Auditors' Report on the standalone financial statements of ProConnect Supply Chain Solutions Limited for the year ended 31 March 2020

(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 fixed assets are verified over a period of three years. 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 spares as at 31 March 2020. 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 Companies Act, 2013 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 Companies Act, 2013 the borrowers have been, where stipulated, regular in the payment of principal and interest.

(c) There are no overdue amounts 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 Companies Act, 2013 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 Companies Act, 2013 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 been generally deposited regularly during the year by the Company with the appropriate authorities except for remittances of employees' state insurance where the Company had delays of 4 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, goods and services tax, duty of customs and any other material statutory dues were in arrears as at 31 March 2020 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 during the year have been applied for the purpose for which they were raised.

(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 year.

(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 2020 has been paid or provided

Annexure A to the Independent Auditors' Report on the standalone financial statements of ProConnect Supply Chain Solutions Limited for the year ended 31 March 2020 (Contd.)

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. Accordingly, paragraph 3(xiv) of the Order is not applicable.

(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. Accordingly, paragraph 3(xvi) of the Order is not applicable.

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

Praveen Kumar Jain
Partner
Membership No. 079893
ICAI UDIN: 20079893AAAABB4762

Place: Chennai
Date: 9 June 2020

Annexure B to the Independent Auditors' report on the standalone financial statements of ProConnect Supply Chain Solutions Limited for the year ended 31 March 2020

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 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report)

Opinion

We have audited the internal financial controls with reference to financial statements of ProConnect Supply Chain Solutions Limited ("the Company") as of 31 March 2020 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 2020, 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 and Board of Directors 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").

Auditors' 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 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

Praveen Kumar Jain
Partner
Membership No. 079893
ICAI UDIN: 20079893AAAABB4762

Place: Chennai
Date: 9 June 2020

ProConnect Integrated Logistics
a Redington company

Standalone Balance Sheet

as at 31 March 2020

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

	Note	As at 31 March 2020	As at 31 March 2019
ASSETS			
Non-current assets			
Property, plant and equipment	15	9.12	17.09
Capital Work in Progress		0.05	-
Right-of-use assets	17	21.03	-
Intangible assets	16	4.13	4.95
Financial assets			
Investments	18	69.96	73.66
Deposits and other receivables	23	8.65	10.42
Other financial assets	25	3.76	4.59
Deferred tax assets (net)	14	5.29	3.17
Income tax assets (net)		12.89	2.48
Other non-current assets	26	4.53	4.41
Total non-current assets		**139.41**	**120.77**
Current assets			
Inventories	19	-	-
Financial assets			
Trade receivables	20	65.37	76.69
Cash and cash equivalents	21	1.03	0.57
Other bank balances	22	18.63	0.59
Loans	24	13.10	21.76
Deposits and other receivables	23	2.29	4.93
Other financial assets	25	6.23	5.07
Other current assets	26	10.16	17.93
Total current assets		**116.81**	**127.54**
Total assets		**256.22**	**248.31**
Equity and liabilities			
Equity			
Equity share capital	27A	9.08	9.08
Other equity	27B		
Capital Reserve		5.01	3.31
Securities premium		35.47	35.47
Retained earnings		51.32	74.69
Others (including items of other comprehensive income)		(1.02)	(0.81)
Total equity		**99.86**	**121.74**
Liabilities			
Non-current liabilities			
Financial Liabilities			
Borrowings	29	-	23.60
Lease liability	17	17.94	-
Other financial liabilities	31	0.32	6.86
Provisions	33	5.28	4.21
Total non-current liabilities		**23.54**	**34.67**
Current liabilities			
Financial liabilities			
Borrowings	29	91.81	47.77
Lease liability	17	9.37	-
Trade payables	30		
Total outstanding dues to micro enterprises and small enterprises		0.07	-
Total outstanding dues to creditors other than micro enterprises and small enterprises		25.55	28.54
Other financial liabilities	31	1.52	9.10
Provisions	33	0.57	0.47
Other current liabilities	32	3.93	6.02
Total current liabilities		**132.82**	**91.90**
Total liabilities		**156.36**	**126.57**
Total equity and liabilities		**256.22**	**248.31**
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

Praveen Kumar Jain
Partner
Membership No. 079893

Place: Chennai
Date : 9 June 2020

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

Kasturi Rangan E.H
Managing Director
DIN: 01814089

Krishnan S.V
Director
DIN: 07518349

Dr. Arunachalam R
Chief Executive Officer

N R Venkatesan
Chief Financial Officer

Place: Chennai
Date: 6 June 2020

Standalone Statement of Profit and Loss

for the year ended 31 March 2020

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

	Note	Year ended 31 March 2020	Year ended 31 March 2019
Revenue			
Revenue from operations	6	267.68	266.80
Other income	7	10.38	5.89
Total Revenue		**278.06**	**272.69**
Expenses			
Purchase of spares	8	0.06	0.07
Changes in inventories of spares	9	-	-
Employee benefits expense	10	30.70	28.43
Finance costs	11	11.02	4.62
Depreciation and amortisation expense	12	27.00	5.52
Other expenses	13	214.13	199.18
Total expenses		**282.91**	**237.82**
(Loss)/ Profit before tax and exceptional items		**(4.85)**	**34.87**
Exceptional items:			
Impairment of Investment	18	14.70	-
(Loss)/ Profit before tax		**(19.55)**	**34.87**
Income tax	14		
Current tax		1.96	10.76
Deferred tax		(1.08)	(0.14)
Income tax expense		**0.88**	**10.62**
Profit for the year		**(20.43)**	**24.25**
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Remeasurements of the defined benefit liability		(0.28)	(0.63)
Income tax relating to items that will not be reclassified to profit or loss		0.07	0.18
Net other comprehensive income not to be reclassified subsequently to profit or loss		**(0.21)**	**(0.45)**
Other comprehensive income for the year, net of income tax		**(0.21)**	**(0.45)**
Total comprehensive income for the year		**(20.64)**	**23.80**
Earnings per share	28		
Basic and diluted earnings per share (in Indian Rupees) before exceptional items		(6.31)	32.27
Basic and diluted earnings per share (in Indian Rupees) after exceptional items		(22.50)	32.27
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

Praveen Kumar Jain
Partner
Membership No. 079893

Place: Chennai
Date : 9 June 2020

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

Kasturi Rangan E.H
Managing Director
DIN: 01814089

Krishnan S.V
Director
DIN: 07518349

Dr. Arunachalam R
Chief Executive Officer

N R Venkatesan
Chief Financial Officer

Place: Chennai
Date: 6 June 2020

Standalone Statement of Cash Flow

for the year ended 31 March 2020

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

	Note	Year ended 31 March 2020	Year ended 31 March 2019
Cash flow from operating activities			
(Loss)/ Profit before taxes		(19.55)	34.87
Adjustments for:			
Depreciation and amortisation		27.00	5.52
Provision for doubtful debts		2.39	0.48
Provision for financial asset		11.89	-
Impairment of investment		14.70	-
(Gain) on sale of property, plant and equipment		(0.13)	(0.06)
Finance costs		11.02	4.62
Stock compensation expense		1.70	2.64
Gain on derecognition of forward liability		(3.84)	-
Interest income on security deposits at amortised cost		(2.05)	(1.21)
Interest income on cash and cash equivalents and loans		(2.32)	(1.72)
		40.81	**45.14**
Working capital adjustments:			
(Increase) / decrease in trade receivables		8.93	(21.96)
(Increase) / decrease in deposits and other receivables		6.46	(4.61)
Increase in other current / non-current financial assets		(1.10)	(2.41)
(Increase) / decrease in other current / non current assets		7.65	(17.29)
Increase / (decrease) in trade payable and other financial liabilities		(3.10)	9.19
Increase / (decrease) in provisions and other current liabilities		(1.57)	1.66
Cash generated from operating activities		**58.08**	**9.72**
Income tax paid (net)		(12.37)	(12.17)
Net cash generated/ (used in) from operating activities (A)		**45.71**	**(2.45)**
Cash flow from investing activities			
Interest received		1.20	1.11
Proceeds from sale of property, plant and equipment		0.37	0.06
Acquisition of property, plant and equipment		(3.27)	(6.95)
Loans (repaid) / given		(1.34)	(9.76)
Investments in bank deposits with original maturity of more than 3 months		(18.04)	3.13
Payment of liability in accordance with share purchase agreement		(2.50)	-
Contingent consideration paid		(7.50)	-
Investment in subsidiaries		(11.00)	(41.34)
Net cash used in investing activities (B)		**(42.08)**	**(53.75)**

Standalone Statement of Cash Flow

for the year ended 31 March 2020

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

	Note	Year ended 31 March 2020	Year ended 31 March 2019
Cash flow from financing activities			
Proceeds from issue of share capital (including securities premium)		-	25.00
Proceeds from long-term borrowings		15.52	15.00
Repayment of long term borrowings		(1.51)	-
Proceeds from short term borrowings from related parties		-	5.00
Repayment of short term borrowings to related parties		-	(5.00)
Net proceeds from short term borrowings		13.00	5.50
Payment of finance lease obligations		(26.66)	(0.75)
Interest paid		(7.21)	(4.62)
Dividend paid (and related dividend distribution tax)		-	(5.24)
Net cash generated from financing activities (C)		**(6.86)**	**34.89**
Net (decrease) / increase in cash and cash equivalents (A+B+C)		**(3.23)**	**(21.31)**
Cash and cash equivalents as at 1 April		(26.04)	(4.73)
Cash and cash equivalents as at 31 March	21	**(29.27)**	**(26.04)**
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

Praveen Kumar Jain
Partner
Membership No. 079893

Place: Chennai
Date : 9 June 2020

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

Kasturi Rangan E.H
Managing Director
DIN: 01814089

Krishnan S.V
Director
DIN: 07518349

Dr. Arunachalam R
Chief Executive Officer

N R Venkatesan
Chief Financial Officer

Place: Chennai
Date: 6 June 2020

Standalone Statement of changes in equity

for the year ended 31 March 2020

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

(a) Equity share capital

Particulars	Amount	No. of shares
Equity shares of ₹ 10 each issued, subscribed and fully paid		
Balance as at 1 April 2018	7.24	72,43,230
Shares issued during the year	1.84	18,38,235
Balance as at 31 March 2019	**9.08**	**90,81,465**
Shares issued during the year	-	-
Balance as at 31 March 2020	**9.08**	**90,81,465**

(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 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**
Contributions and distributions from / (to) owners						
Stock compensation cost	-	-	2.64	-	-	2.64
Securities premium on shares issued during the year	23.16	-	-	-	-	23.16
Dividend, including distribution dividend tax	-	(5.24)	-	-	-	(5.24)
Total contributions and distributions from / (to) owners	**23.16**	**(5.24)**	**2.64**	**-**	**-**	**20.56**
Total transactions with 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**
Balance as at 1 April 2019	**35.47**	**74.69**	**3.31**	**0.38**	**(1.19)**	**112.66**
Loss for the year	-	(20.43)	-	-	-	(20.43)
Other comprehensive income for the year	-	-	-	-	(0.21)	(0.21)
Impact on account of change in accounting policy, net of tax (Ind AS 116)	-	(2.94)	-	-	-	(2.94)
Total comprehensive income	**-**	**(23.37)**	**-**	**-**	**(0.21)**	**(23.58)**
Contributions and distributions from owners						
Stock compensation cost	-	-	1.70	-	-	1.70
Total contributions and distributions from owners	**-**	**-**	**1.70**	**-**	**-**	**1.70**
Total transactions with owners						
Balance as at 31 March 2020	**35.47**	**51.32**	**5.01**	**0.38**	**(1.40)**	**90.78**

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

Praveen Kumar Jain
Partner
Membership No. 079893

Place: Chennai
Date : 9 June 2020

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

Kasturi Rangan E.H
Managing Director
DIN: 01814089

Krishnan S.V
Director
DIN: 07518349

Dr. Arunachalam R
Chief Executive Officer

N R Venkatesan
Chief Financial Officer

Place: Chennai
Date: 6 June 2020

Notes forming part of the standalone financial statements

for the year ended 31 March 2020

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 6 June 2020.

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
- Defined benefit liability	Present value of defined benefit obligations

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle.

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.

Impact of COVID-19 pandemic

In March 2020, the World Health Organisation declared COVID-19 to be a pandemic. The Company has adopted measures to curb the spread of infection in order to protect the health of its employees and ensure business continuity with minimal disruption.

The Company has considered internal and external information while finalizing various estimates in relation to its financial statements captions upto the dates of its approval of financial statements by the Board of Directors. The actual impact of global health pandemic may be different from that which has been estimated, as the COVID-19 situation evolves in India and globally. The Company will continue to closely monitor any material changes to future economic conditions.

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 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 17 – lease accounting under Ind AS 116

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 2020 is included in the following notes:

- Note 33 – measurement of defined benefit obligations: key actuarial assumptions;
- Note 34 – 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:

Notes forming part of the standalone financial statements

for the year ended 31 March 2020 (Contd.)

- 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).

2.5 Measurement of fair values (continued)

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.

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 34 – financial instruments

- Note 38 – stock appreciation rights

2.6 Changes in accounting policies

Except for the changes below, the Company has consistently applied the accounting policies to all the periods present in these financial statements.

The Company applied Ind AS 116 with effect from 1 April 2019. A number of other new standards are also effective from 1 April 2019 but they do not have a material effect on the Company's financial statements. As a result the Company has changed its accounting policy for lease contracts as detailed below.

The Company applied Ind AS 116 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings as at 1 April 2019. Accordingly, the comparative information presented for the year ended 31 March 2019 is not restated – i.e. it is presented, as previously reported, under Ind AS 17. The details of the changes in accounting policies are disclosed below. Additionally, the disclosure requirements in Ind AS 116 have not generally been applied to comparative information.

A. Definition of a lease

Previously, the Company determined at contract inception whether an arrangement was or contained a lease under Ind AS 17 Leases. The Company now assesses whether a contract is or contains a lease based on the definition of a lease, as explained in Note 2.6 (A).

On transition to Ind AS 116, the Company elected to apply the practical expedient to consider the assessment of which transactions are leases. The Company applied Ind AS 116 only to contracts that were previously identified as leases. Contracts that were not identified as leases under Ind AS 17 were not reassessed for whether there is a lease under Ind AS 116. Therefore, the definition of a lease under Ind AS 116 was applied only to contracts entered into or changed on or after 1 April 2019.

B. As a lessee

As a lessee, the Company leases many assets that are in the nature of warehouse buildings. The Company previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset of the Company. Under Ind AS 116, the Company recognises right-of-use assets and lease liabilities for most of these leases – i.e. these leases are on-balance sheet.

The Company decided to apply recognition exemptions to short-term leases and leases of assets of low value. For leases of other assets, which were classified as operating under Ind AS 17, the Company recognised right-of-use assets and lease liabilities.

i) Leases classified as Operating lease under Ind AS 17

Previously, the Company classified property leases as operating leases under Ind AS 17. On transition, for these leases, lease liabilities were measured at the present value of the remaining lease payments, discounted at the Company's incremental borrowing rate as at 1 April 2019 (see Note 2.6 (C)). Right-of-use assets are measured at their carrying amount as if Ind AS 116 had been applied since the commencement date, discounted using the Company's incremental borrowing rate at the date of initial application

The Company has evaluated its right-to-use assets for impairment on the date of transition and has concluded that there is no indication that the right-of-use assets are impaired.

- did not recognise right-of-use assets and liabilities for leases for which the lease term ends within 12 months of the date of initial application;

- excluded initial direct costs from the measurement of the right-of-use asset at the date of initial application;

ii) Leases classified as finance leases under Ind AS 17

For the leases classified as finance leases under Ind AS 17, the carrying amount of the right-of-use asset and the lease liability at April 1, 2019 were determined at the carrying amount of the lease asset and lease liability under Ind AS 17 immediately before that date.

Notes forming part of the standalone financial statements

for the year ended 31 March 2020 (Contd.)

C. Impact on financial statements *

On transition to Ind AS 116, the Company recognised right-of-use assets and lease liabilities, recognizing the difference in retained earnings. The impact on transition is summarized below.

	1 April 2019
Right-of-use assets	64.34
Deferred tax asset	0.97
Lease liabilities	68.25
Retained earnings	2.94

* For the impact of Ind AS 116, on profit or loss for the year, refer note 17. For the details of accounting policies under Ind AS 116, and Ind AS 17, refer note 3.10. When measuring lease liability the Company discounted lease payments at the incremental borrowing rate in the range of 7.50% p.a to 8.20% p.a depending on the period

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 would be classified and measured at amortised cost or at Fair Value through Other Comprehensive Income (FVOCI) if its contractual cash flows are solely in the nature of principle and the interest on the principle amount outstanding (SPPI criterion).

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 equipment's	5 years	5 years
Vehicles	5 years	10 years

Notes forming part of the standalone financial statements

for the year ended 31 March 2020 (Contd.)

Depreciation method, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate. Property, plant and equipment is depreciated on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 or technical estimate made by the Company, whichever is lower and is recognised in statement of profit and loss. 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

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 2020 (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.

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 equipment's 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.

Notes forming part of the standalone financial statements

for the year ended 31 March 2020 (Contd.)

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 nature of services offered to 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.

3.10 Leases

The Company has applied Ind AS 116 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under Ind AS 17.

i. Policy applicable from 1 April 2019

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. This policy is applied to contracts entered into, or changed, on or after 1 April 2019.

A. Company as a lessee:

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Company's incremental borrowing rate. The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources that reflects the terms of the lease and type of the asset leased.

The lease payments shall include:

- fixed payments, including in substance fixed payments;
- variable lease payments that depend on an index or rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in –substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount

Notes forming part of the standalone financial statements

for the year ended 31 March 2020 (Contd.)

of the right-of-use asset has been reduced to zero. The Company presents right-of-use assets and lease liabilities separately on the face of the balance sheet.

Short term leases and low value assets:

The Company has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term

B. Company as a lessor:

At inception or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative standalone prices.

When the Company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Company makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

The Company applies derecognition and impairment requirements in Ind AS 109 to the net investment in the lease. The Company further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

The Company recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'Other income'.

Generally, the accounting policies applicable to the Company as a lessor in the comparative period were not different from Ind AS 116 except for the classification of the sub-lease entered into during current reporting period that resulted in a finance lease classification.

ii. Policy applicable before 1 April 2019

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 impracticable to separate the payments reliably, then an asset and a 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.

Operating leases:

Leases, where the lessor effectively retains substantially all the risks and rewards incidental to ownership of the leased item are classified as operating leases. Payments under operating leases are recognized in the Statement of Profit and 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 inflationary cost increase.

Finance 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 recognized in the Company's Standalone Balance Sheet. 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.

Notes forming part of the standalone financial statements

for the year ended 31 March 2020 (Contd.)

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 income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred tax will not be recognised, when:

- 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.

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

Notes forming part of the standalone financial statements

for the year ended 31 March 2020 (Contd.)

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.

4 RECENT INDIAN ACCOUNTING STANDARDS (IND AS)

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

Notes forming part of the standalone financial statements

for the year ended 31 March 2020 (Contd.)

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

NOTE 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.

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
India	251.46	250.40
USA	16.22	16.40
	267.68	**266.80**

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:

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Customer A	48.94	65.46
Customer B	29.31	44.76
Customer C	32.53	19.40
	110.78	**129.62**

NOTE 6 REVENUE FROM OPERATIONS

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Sale of products	0.21	0.20
Sale of services		
Income from supply chain management services ^ ^	267.41	266.57
Other operating revenue		
Scrap Sales	0.06	0.03
	267.68	**266.80**

^ ^ Includes revenue INR 1.44 crores (31 March 2019: INR 0.93 crores) 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.

Impact of COVID-19 (Pandemic) on Revenue recognition:

While the Company believes strongly that it has a rich portfolio of services to partner with customers, the impact on future revenue streams could come from

- the inability of our customers to continue their businesses due to financial resource constraints or their services no longer being availed by their customers

Notes forming part of the standalone financial statements
for the year ended 31 March 2020 (Contd.)

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

- prolonged lock-down situation resulting in its inability to deploy resources at different locations due to restrictions in mobility

- customer due to cost pressure reduces the discretionary spending consequently impacting the margins on certain line of business

The Company has assessed the contracts with customers, the impact that they would have due to disruption of supply chain and drop in demand due to impact of the COVID-19 pandemic in customer business. The Company has also assessed the dependence of revenues from the impacted business verticals. The Company has considered such impact to the extent known and available currently. However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration. The Company has taken steps to ensure that revenue recognition reflect realizable values.

NOTE 7 OTHER INCOME

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Interest income on		
Cash and cash equivalents and other bank balances	0.06	0.06
Loan to corporates	2.26	1.66
Security deposits at amortised cost	2.05	1.21
Gain on derecognition of forward liability (refer note 31)	3.84	-
Net gain on sale of property, plant and equipment	0.13	0.06
Net gain on foreign currency transactions	0.11	(0.38)
Export incentives	1.08	1.25
Finance income on lease	0.65	0.72
Miscellaneous income	0.20	1.31
	10.38	**5.89**

NOTE 8 PURCHASE OF SPARES

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Purchases of spares	0.06	0.07
	0.06	**0.07**

NOTE 9 CHANGES IN INVENTORIES OF SPARES

	Year ended 31 March 2020			Year ended 31 March 2019		
	Opening stock	Closing stock	Increase / Decrease	Opening stock	Closing stock	Increase / Decrease
Stock-in-trade of spares*	-	-	-	-	-	-
	-	-	-	-	-	-

* Decrease in inventory of spares of INR Nil /- for year ended 31 March 2020 (31 March 2019: Increase in inventory of spares of INR 12,465/-) has been rounded off in crores to Nil.

Notes forming part of the standalone financial statements

for the year ended 31 March 2020 (Contd.)

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

NOTE 10 EMPLOYEE BENEFITS EXPENSES

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Salaries, wages and bonus	23.81	20.58
Contribution to provident funds	1.24	1.21
Expenses related to post-employment defined benefit plans	0.33	0.58
Expenses related to compensated absences	0.51	0.29
Staff welfare expenses	3.11	3.13
Stock compensation expense (refer note 39 and 27B)	1.70	2.64
	30.70	**28.43**

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 1.24 crores (31 March 2019: INR 1.21 crores)

NOTE 11 FINANCE COSTS

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Interest on cash credit / working capital loans	7.21	3.90
Interest on loan from related parties	-	0.04
Interest on others	0.69	-
Finance cost on finance lease obligations	3.12	0.68
	11.02	**4.62**

NOTE 12 DEPRECIATION AND AMORTISATION EXPENSE

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Depreciation of property, plant and equipment (refer note 15)	4.66	5.04
Amortisation of intangible assets (refer note 16)	1.08	0.48
Depreciation of right-of-use assets (refer note 17)	21.26	-
	27.00	**5.52**

NOTE 13 OTHER EXPENSES

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Freight, delivery and shipping charges	63.45	54.23
Rent	19.47	47.10
Outsourced manpower cost	73.78	58.66
Warehouse handling charges	5.83	4.07
Consumption of packing materials	1.58	2.35
Power and fuel	3.05	2.96
Rates and taxes	2.02	1.15

Notes forming part of the standalone financial statements

for the year ended 31 March 2020 (Contd.)

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

NOTE 13 OTHER EXPENSES

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Insurance	1.03	0.45
Repairs and maintenance		
Buildings	0.26	0.25
Machinery	1.43	1.26
Others	6.56	5.63
Directors' sitting fees	0.10	0.06
Legal and professional charges (refer note (a) below)	2.42	3.57
Travel and Conveyance	3.40	2.18
Sales promotion expenses	0.50	0.16
Communication expenses	2.27	2.14
Security services	8.52	9.24
Printing and stationery	2.17	1.97
Provision for doubtful debts	2.39	0.48
Provision for financial asset (refer note (c) below)	11.89	-
Bank charges	0.09	0.33
Expenditure on Corporate social responsibility (refer note (b) below)	0.70	0.52
Miscellaneous expenses	1.22	0.42
	214.13	**199.18**

a. Payment to auditors

	Year ended 31 March 2020	Year ended 31 March 2019
Statutory audit	0.14	0.06
Tax audit	0.01	0.01
Other services	0.01	0.02
Reimbursement of expenses	0.01	0.02
	0.17	**0.11**

b. Details of corporate social responsibility expenditure

	Year ended 31 March 2020	Year ended 31 March 2019
Amount required to be spent by the Company during the year	0.70	0.52
Amount spent during the year (in cash) :		
(i) Construction/ acquisition of any asset	-	-
(ii) On purposes other than (i) above	0.70	0.52
	0.70	0.52

c. Provision for financial assets

The Company has carried out recoverability assessment on the balances receivable from Rajprotim Agencies Private Limited ('RAPAL'), vendor for Rajprotim Supply Chain Solutions Limited ('RCS'), subsidiary of the Company. Based on the such assessment, the management has recorded INR 11.89 crores as provision for the loans given to RAPAL and interest accrued there on. The gross amount receivable from RAPAL amounts to INR 13.89 crores (refer note 24). The remaining amount of the loan is secured by 89% equity shares and a parcel of land of RAPAL. The management is in the process of taking necessary steps to recover the balances from RAPAL.

Notes forming part of the standalone financial statements

for the year ended 31 March 2020 (Contd.)

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

NOTE 14 INCOME TAX

A. Amount recognised in the profit and loss

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Current tax		
Current period	1.79	10.76
Change in estimates to prior periods	0.17	-
Total current tax expense	**1.96**	**10.76**
Deferred tax		
Origination and reversal of temporary difference	(1.51)	(0.31)
Reduction in tax rates	0.43	0.17
Total deferred tax expense / (benefit)	(1.08)	(0.14)
	0.88	**10.62**

B. Income tax recognised in other comprehensive income

Particulars	Year ended 31 March 2020			Year ended 31 March 2019		
	Before tax	Tax (expense) / benefit	Net of tax	Before tax	Tax (expense) / benefit	Net of tax
Remeasurement of defined benefit liability (asset)	(0.28)	0.07	(0.21)	(0.63)	0.18	(0.45)
	(0.28)	0.07	(0.21)	(0.63)	0.18	(0.45)

C. Reconciliation of effective tax rate

	Year ended 31 March 2020		Year ended 31 March 2019	
Profit before tax	**-**	**(19.55)**	**-**	**34.87**
Enacted tax rates in India	25.17%	(4.92)	29.12%	10.15
Computed expected tax expense				
Changes in tax rates	(2.20%)	0.43	0.49%	0.17
Changes in estimates related to prior years	(0.87%)	0.17	0.66%	0.23
Effect of non-deductible expenses	(27.26%)	5.33	0.20%	0.07
Others	0.66%	(0.13)	0.00%	-
Income tax expense	**(4.50%)**	**0.88**	**30.47%**	**10.62**

D. Recognized 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 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019
Property, plant and equipment	1.78	-	-	0.10	1.78	(0.10)
Provision - employee benefits	1.47	1.67	-	-	1.47	1.67
Finance lease receivable		-	1.16	1.58	(1.16)	(1.58)
Right-of-use assets/Lease liabilities	-	-	1.22	-	(1.22)	-
Finance lease payable	2.80	2.99	-	-	2.80	2.99
Provision - others	1.62	0.19	-	-	1.62	0.19
Net deferred tax (assets) liabilities	7.67	4.85	2.38	1.68	5.29	3.17

Notes forming part of the standalone financial statements

for the year ended 31 March 2020 (Contd.)

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

NOTE 14 INCOME TAX (CONTD.)

Movement in temporary differences:

	Balance as at 1 April 2018	Recognized in profit or loss during 2018-19	Recognized in OCI during 2018-19	Balance as at 31 March 2019	Recognized in profit or loss during 2019-20	Transition impact on account of Ind AS 116	Recognized in OCI during 2019-20	Balance as at 31 March 2020
Property, plant and equipment	1.06	(1.16)	-	(0.10)	1.88	-	-	1.78
Provision - employee benefits	0.96	0.53	0.18	1.67	(0.27)	-	0.07	1.47
Finance lease receivable	1.58	(3.16)	-	(1.58)	0.42	-	-	(1.16)
Right-of-use assets/Lease liabilities	-	-	-	-	(2.19)	0.97	-	(1.22)
Finance lease payable	(1.42)	4.41	-	2.99	(0.19)	-	-	2.80
Provision - others	0.67	(0.48)	-	0.19	1.43	-	-	1.62
	2.85	**0.14**	**0.18**	**3.17**	**1.08**	**0.97**	**0.07**	**5.29**

NOTE 15 PROPERTY, PLANT AND EQUIPMENT

A. Reconciliation of carrying amount

Particulars	Plant and machinery	Office equipment	Furniture and fixtures	Computers	Vehicles	Total
Deemed cost / Cost (Gross carrying amount)						
Balance as at 1 April 2018	**4.29**	**2.75**	**5.99**	**4.63**	**1.91**	**19.57**
Additions	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**
Finance lease	(4.60)	(0.60)	-	(0.92)	-	(6.12)
Additions (also refer note B below)	0.92	0.04	0.33	0.96	0.29	2.54
Disposals	-	-	(0.06)	(0.23)	(0.26)	(0.55)
Balance as at 31 March 2020	**6.54**	**3.42**	**7.27**	**7.32**	**2.55**	**27.10**
Accumulated depreciation						
Balance as at 1 April 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
Finance lease	(0.35)	(0.09)	-	(0.07)	-	(0.51)
Additions	1.12	0.61	1.07	1.38	0.48	4.66
Disposals	-	-	(0.01)	(0.05)	(0.25)	(0.31)
Balance as at 31 March 2020	**4.55**	**2.46**	**4.28**	**5.53**	**1.16**	**17.98**
Carrying amount (net)						
As at 31 March 2019	6.44	2.04	3.78	3.24	1.59	17.09
As at 31 March 2020	**1.99**	**0.96**	**2.99**	**1.79**	**1.39**	**9.12**

Notes forming part of the standalone financial statements

for the year ended 31 March 2020 (Contd.)

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

NOTE 15 PROPERTY, PLANT AND EQUIPMENT (CONTD.)

B. Property, plant and equipment held under finance leases

The Company had 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 29). Out of these leased asset, the Company has sub leased assets amounting to INR 4.84 crore under a finance lease arrangement. During the year current year the entire assets acquired under finance lease has been reclassified to right-of-use of assets and corresponding liabilities have been reclassified to lease liabilities. (Refer note 17). The gross and net carrying amounts of furniture and fixture acquired under finance leases and included in above as follows:

Particulars	Plant and machinery	Office equipment	Furniture and fixtures	Computers	Total
Cost					
Balance as at 1 April 2018	-	-	0.23	-	0.23
Assets acquired on finance lease during the year ended 31 March 2019					
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**
Finance lease reclassified	(4.60)	(0.60)	-	(0.92)	(6.12)
Cost as at 31 March 2020 (included above)	**-**	**-**	**0.23**	**-**	**0.23**
Accumulated depreciation					
Balance as at 1 April 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)
Finance lease reclassified	0.35	0.09	-	0.07	0.51
Accumulated depreciation as at 31 March 2020	-	-	(0.06)	-	(0.06)
Carrying amount (net)					
As at 31 March 2019	4.25	0.51	0.17	0.85	5.78
As at 31 March 2020	**-**	**-**	**0.17**	**-**	**0.17**

Further, additions also does not include an amount of INR 0.66 crores (31 March 2019: INR 0.65 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 2020 (Contd.)

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

NOTE 16 INTANGIBLE ASSETS

Particulars	Software	Total
Deemed cost / Cost (Gross carrying amount)		
Balance as at 1 April 2018	**0.25**	**0.25**
Additions	5.31	5.31
Disposals	-	-
Balance as at 31 March 2019	5.56	5.56
Additions	0.26	0.26
Disposals	-	-
Balance as at 31 March 2020	5.82	5.82
Accumulated amortisation		
Balance as at 1 April 2018	0.13	0.13
Additions	0.48	0.48
Disposals	-	-
Balance as at 31 March 2019	0.61	0.61
Additions	1.08	1.08
Disposals	-	-
Balance as at 31 March 2020	1.69	1.69
Carrying amount (net)		
As at 31 March 2019	4.95	4.95
As at 31 March 2020	**4.13**	**4.13**

NOTE 17 LEASES

Leases as lessee (Ind AS 116)

The leased assets of the Company includes warehouse buildings, plant and machinery, furniture and fixtures and computers taken on lease for providing warehousing and other 3PL services to the customers. The leases typically run for a period of 1 to 5 years, with an option to renew certain leases after that date. Previously, these leases were classified as operating leases under Ind AS 17. On transition to Ind AS 116, the Company recognized right-of-use of assets at its carrying amount as if the standard has been applied since the commencement of the lease. The summary of the movement of right-of-use assets for the year is given below:

Information about leases for which the Company is a leasee is presented below

i. Right-of-use assets

	As at 31 March 2020	As at 31 March 2019
Balance as at 1 April 2019	64.34	-
Additions to right-of-use assets	11.84	-
Less: Depreciation charge for the year	(21.26)	-
Less: Terminated Contracts	(33.89)	-
Balance as at 31 March 2020	**21.03**	**-**

Notes forming part of the standalone financial statements

for the year ended 31 March 2020 (Contd.)

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

NOTE 17 LEASES (CONTD.)

On transition to Ind AS 116, the Company recognized lease liabilities measured at the present value of remaining lease payments. The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date.

	As at 31 March 2020	As at 31 March 2019
Lease liabilities under Ind AS 116		
Less than one year	9.37	-
One to five years	17.94	-
More than 5 years	-	-
Total lease liabilities as at 31 March 2020	**27.31**	**-**

Amounts recognised in Statement of Profit and loss

	Leases under Ind AS 116	Leases under Ind AS 17
	Year ended 31 March 2020	Year ended 31 March 2019
Interest on lease liabilities (refer note 11)	3.12	0.68
Expenses relating to leases of low value assets excluding assets of short term leases	-	-
Depreciation of right-of-use assets (refer note 12)	21.26	-
Expenses relating to short-term leases (refer note 13)	19.47	47.10
	43.85	**47.78**

Amounts recognised in Cashflow statement

	Year ended 31 March 2020	Year ended 31 March 2019
Total cash outflow for leases liabilities under Ind AS 116	(26.66)	-

Finance lease

The Company has leases that were classified as finance leases applying Ind AS 17. For such leases, the carrying amount of the right-of-use asset and the lease liability at the date of initial application of Ind AS 116 is the carrying amount of the lease asset and lease liability on the transition date as measured applying Ind AS 17. Accordingly, an amount of INR 6.12 crores has been reclassified from property, plant and equipment to right-of-use assets. An amount of INR 1.66 crores has been reclassified from Current financial liabilities to lease liability – current and an amount of INR 8.6 crores has been reclassified from borrowings – non current to lease liability – non-current.

Impact of COVID-19 (Pandemic)

The Company does not foresee any large-scale contraction in business which could result in significant down-sizing of its leased assets making its infrastructure redundant. The leases that the Company has entered with lessors towards properties used as warehouses are medium to long term in nature and no changes in terms of those leases are expected due to the COVID-19

Notes forming part of the standalone financial statements

for the year ended 31 March 2020 (Contd.)

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

NOTE 18 NON-CURRENT INVESTMENTS

	As at 31 March 2020	As at 31 March 2019
Unquoted equity shares in subsidiaries at cost		
11,166,666 (31 March 2019: 9,826,616) equity shares of Rajprotim Supply Chain Solutions Limited (RCS)	32.97	21.97
1000 (31 March 2019 :900) equity shares of Auroma Logistics Private Limited (ALPL)	51.69	51.69
Less: Aggregate amount of impairment in value of investments	(14.70)	-
	69.96	**73.66**

Name of the subsidiary	Principal place of business	Proportion of Ownership interest As at 31 March 2020	Proportion of Ownership interest As at 31 March 2019
Rajprotim Supply Chain Solutions Limited (RCS)	Kolkata, India	100%	88%
Auroma Logistics Private Limited (ALPL)	Pondicherry, India	100%	90%

The Company is of the view that the operations of subsidiaries RCS and ALPL represents two cash-generating unit ('CGU').

Management performed an impairment assessment as at 31 March 2020. The recoverable value was determined by Value in use ('VIU'). The recoverable amount was lower than the carrying value of the CGU in both the subsidiaries and this resulted in an impairment charged for INR 11.80 crores for RCS and INR 2.89 crores for ALPL. This amount is recognized as provision for impairment in other expenses (refer note no 13) as at 31 March 2020.

The approach and key assumptions used to determine the CGU's VIU were as follows:

	RCS	ALPL
Revenue growth rate range over the forecast period	6.9% to 35%	-6.9% to 20%
Terminal growth rate range over the forecast period	5%	5%
EBITDA range over the forecast period	2.4% to 15%	9.11% to 10.20%
Terminal EBITDA	13%	9%
Discount rate	19.50%	18.00%

The Company has considered it appropriate to undertake the impairment assessment with reference to the latest business plan which includes a five year cash flow forecast. The growth rates used in the VIU calculation reflect those inherent within the RCS's and ALPL's business plan, which in primarily a function of the RCS/ALPL future assumptions, past performance and management's expectation of future market development through to FY 2024-25. The future cash flows consider potential risks given the current economic environment and key assumptions, such as revenue growth rate and EBITDA. The Company has assessed potential impact, if any, in context of COVID-19 pandemic and its impact on business as well while developing the business plan. Due to changes in business environment on account of COVID-19 pandemic, the Company has recognized INR 14.70 crores was recognised during the year and the impairment charge towards investments and has been disclosed as an exceptional item in the above financial statements.

The cash flow for the FY 2024-25 are extrapolated into perpetuity assuming a growth rate as stated above which is set with reference to weighted-average GDP growth of the country and industry in which the subsidiaries operate.

The entire impairment losses in the standalone financial statements of the Company has been adjusted against the gross carrying value of investments as mentioned in the note above.

Notes forming part of the standalone financial statements

for the year ended 31 March 2020 (Contd.)

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

NOTE 18 NON-CURRENT INVESTMENTS (CONTD.)

Sensitivity to key assumptions

The change in the following assumptions used in the impairment review would, in isolation, lead to an increase to aggregate impairment loss recognized as at 31 March 2020 (although it should be noted that these sensitivities do not take account of potential mitigating actions):

	RCS	ALPL
Decrease in revenue growth by 5% over the forecast period	30.49	7.51
Decrease in EBITDA by 5% over the forecast period	32.97	21.16
Decrease in terminal rate by 1%	15.42	4.69
Increase in discount rate by 1%	16.77	5.24

NOTE 19 INVENTORIES

	As at 31 March 2020	As at 31 March 2019
Spares*	-	-
	-	-

* Inventory of spares as at 31 March 2020 of INR 9,645 (31 March 2019: INR 12,465) has been rounded off in crores to Nil.

NOTE 20 TRADE RECEIVABLES

	As at 31 March 2020	As at 31 March 2019
Unsecured, considered good	65.37	76.69
Doubtful	3.05	0.66
Less : Loss allowance	(3.05)	(0.66)
	65.37	**76.69**
Current	65.37	76.69
	65.37	**76.69**

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

	As at 31 March 2020	As at 31 March 2019
Total trade receivables from related parties (refer note 37)	10.95	9.34
Less: Loss allowance	-	-
Net trade receivables	**10.95**	**9.34**

NOTE 21 CASH AND CASH EQUIVALENTS

	As at 31 March 2020	As at 31 March 2019
Cash in hand	0.07	0.13
Balance with banks:		
- in current accounts	0.96	0.44
Cash and cash equivalents in balance sheet	**1.03**	**0.57**
Less: Bank overdrafts and cash credit facilities used for cash management purposes	(30.30)	(26.61)
Cash and cash equivalents in the statements of cash flows	**(29.27)**	**(26.04)**

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 2020

Notes forming part of the standalone financial statements

for the year ended 31 March 2020 (Contd.)

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

NOTE 22 OTHER BANK BALANCES

	As at 31 March 2020	As at 31 March 2019
Fixed deposits with original maturity of more than three months	18.63	0.59
	18.63	**0.59**

Other bank balances includes INR 0.56 crores (31 March 2019: INR 0.56 crores) of fixed deposit is pledged against the Overdraft facility availed from SBI.

NOTE 23 DEPOSITS AND OTHER RECEIVABLES

	As at 31 March 2020	As at 31 March 2019
Non-current		
Security deposit	8.65	10.42
	8.65	**10.42**
Current		
Security deposit	2.29	4.93
	2.29	**4.93**

NOTE 24 LOANS

	As at 31 March 2020	As at 31 March 2019
Secured, considered good		
Loan to body corporates*	2.00	12.00
Less: Loss allowance	-	-
	2.00	**12.00**
Secured, considered doubtful		
Loan to body corporates*	10.00	-
Less: Loss allowance	(10.00)	-
	-	-
Unsecured, considered good		
Loan to body corporates	11.10	9.76
Less: Loss allowance	-	-
	11.10	9.76
	13.10	**21.76**
Non-current	-	-
Current	13.10	21.76
	13.10	**21.76**

* 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 89% equity shares of RAPAL and INR 2 crores is secured by a parcel of land.

Notes forming part of the standalone financial statements

for the year ended 31 March 2020 (Contd.)

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

NOTE 25 OTHER FINANCIAL ASSETS

	As at 31 March 2020	As at 31 March 2019
Non-current		
Long term finance lease receivable (refer note (b) below)	3.76	4.59
	3.76	**4.59**
Current		
Unbilled revenue		
Current maturities of finance lease receivable (refer note (b) below)	2.55	-
Interest accrued	0.83	0.85
Less: Provision for interest receivable (refer note 13(c))	2.00	0.88
Others (refer note (a) below)	(1.89)	-
	2.74	3.34
	6.23	**5.07**

a Others includes INR 0.40 crores (31 March 2019: Nil) extended as housing loan to managing director of the Company. Such loan carries interest of 9% p.a.

b 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:

Particulars	As at 31 March 2020	As at 31 March 2019
Gross investment	6.43	7.88
Unearned finance income	(1.84)	(2.44)
Net investment	**4.59**	**5.44**

Finance leases are receivable as follows:

Gross investment	As at 31 March 2020	As at 31 March 2019
Within less than one year	1.38	1.46
Between One and five years	4.31	4.60
After more than five years	0.74	1.82
	6.43	**7.88**

Present value of minimum lease payments	As at 31 March 2020	As at 31 March 2019
Within less than one year	0.83	0.85
Between One and five years	3.06	2.97
After more than five years	0.70	1.62
	4.59	**5.44**

Notes forming part of the standalone financial statements

for the year ended 31 March 2020 (Contd.)

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

NOTE 26 OTHER ASSETS

	As at 31 March 2020	As at 31 March 2019
Non-current		
Capital advances	0.16	0.03
Prepayments	1.43	2.35
Receivable from government authorities	2.94	2.03
	4.53	**4.41**
Current		
Prepayments	2.04	1.97
Balances with Statutory authorities	2.78	2.41
Others	5.34	13.55
	10.16	**17.93**

NOTE 27A OTHER ASSETS

	As at 31 March 2020	As at 31 March 2019
Authorised		
15,000,000 (31 March 2019: 15,000,000) equity shares of ₹ 10 each	15.00	15.00
Issued, Subscribed and Paid-up		
9,081,465 (31 March 2019: 9,081,465) equity shares of ₹ 10 each fully paid up	9.08	9.08

Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Particulars	As at 31 March 2020		As at 31 March 2019	
	No. of shares	Amount	No. of shares	Amount
Equity shares				
At the commencement of the year	9,081,465	9.08	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**	**9,081,465**	**9.08**

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 2020		As at 31 March 2019	
	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	9,081,465	9.08

Notes forming part of the standalone financial statements

for the year ended 31 March 2020 (Contd.)

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

NOTE 27B OTHER EQUITY

a. Securities premium

	As at 31 March 2020	As at 31 March 2019
At the commencement of the year	35.47	12.31
Share issued for cash	-	23.16
At the end of the year	**35.47**	**35.47**

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 2020	As at 31 March 2019
At the commencement of the year	3.31	0.67
Stock Compensation Cost (Refer Note 10)	1.70	2.64
At the end of the year	**5.01**	**3.31**

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 during the year:

	As at 31 March 2020	As at 31 March 2019
INR Nil per equity share (31 March 2019: INR. 6)	-	4.36
Dividend distribution tax (DDT) on dividend to equity shareholders	-	0.88
	-	**5.24**

d. Analysis of accumulated OCI, net of tax

A. Other items of OCI

	As at 31 March 2020	As at 31 March 2019
Remeasurements of defined benefit liability (asset)	(1.40)	(1.19)
	(1.40)	**(1.19)**

Remeasurements of defined benefit liability (asset)

	As at 31 March 2020	As at 31 March 2019
Opening balance	(1.19)	(0.74)
Remeasurements of defined benefit liability (asset)	(0.21)	(0.45)
Closing balance	**(1.40)**	**(1.19)**

Remeasurements of defined benefit liability (asset)

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

Notes forming part of the standalone financial statements

for the year ended 31 March 2020 (Contd.)

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

NOTE 27 C 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 2020	As at 31 March 2019
Total borrowings - short term and long term	119.12	71.37
Less: Cash and cash equivalents and other bank balances	(19.66)	(1.16)
Net Debt (A)	**99.46**	**70.21**
Total Equity (B)	**99.86**	**121.74**
Adjusted net debt to adjusted equity ratio	**1.00**	**0.58**

NOTE 28 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 2020	Year ended 31 March 2019
(Loss)/Profit for the year before exceptional items, attributable to the equity holders	(5.73)	24.25
(Loss)/Profit for the year after exceptional items, attributable to the equity holders	(20.43)	24.25

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

	Year ended 31 March 2020	Year ended 31 March 2019
Opening balance	9,081,465	7,243,230
Effect of fresh issue of shares for cash	-	130,943
Weighted average number of equity outstanding during the year	**9,081,465**	**7,374,173**

NOTE 29 BORROWINGS

	As at 31 March 2020	As at 31 March 2019
Non current borrowings		
Long term maturities of finance lease obligations (secured)	-	8.60
Terms loans from banks (secured)	-	15.00
	-	**23.60**
Current borrowings		
Loans from banks		
Cash credit facilities (secured)	30.26	26.22
Overdraft facilities (secured)	0.04	0.39
Working capital demand loan (secured)	32.50	19.50
Terms loans from banks (secured)	29.01	-
Current portion of finance lease obligations (secured)	-	1.66
	91.81	**47.77**

Notes forming part of the standalone financial statements

for the year ended 31 March 2020 (Contd.)

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

NOTE 29 BORROWINGS (CONTD.)

Information about the Company's exposure to interest rate and liquidity risk is provided in Note 34

The Company could not meet a few of the loan covenants associated with term loans availed from HDFC Bank and IDFC Bank. The Company is in the process of obtaining the waiver from respective bank's. The management believes that the risk of covenant being breached in future is low. Since these covenants are breached as at 31 March 2020 these terms loans are classified as current borrowings.

Terms and repayment schedule

Terms and conditions of outstanding borrowings are as follows:

	Currency	Nominal interest rate	Year of maturity	Carrying amount as at 31 March 2020	Carrying amount as at 31 March 2019
Cash credit from banks	INR	9.5% - 10%	2019-20	30.26	26.22
Term loans	INR	8.7% - 11.13%	2019-20	19.50	-
Term loans	USD	6.90%	2019-20	9.51	-
Overdraft facilities from banks	INR	7.70%	2019-20	0.04	0.39
Working capital demand loan	INR	8.95% - 10.4%	2019-20	32.50	19.50
Finance lease obligations (secured)	INR	10.25%	2022-23	-	10.26
				91.81	**56.37**

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 from HDFC is secured by moveable fixed assets with a security cover of not less than 1.00 times of outstanding term loan. Term loan from IDFC bank is secured by first pari passu charge over book debts both present and future, exclusive charge on the security deposits of the company both present and future.

Details of borrowings availed and repaid

Particulars	Cash credit and overdraft from banks	Working capital demand loan including related party loans	Term loans	Finance lease obligations	Total
Balance at the 1 April 2018					
- Borrowings	**5.63**	**14.00**	**-**	**4.89**	**24.52**
- Other financial liabilities	**-**	**-**	**-**	**-**	**-**
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 2020 (Contd.)

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

NOTE 29 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 31 March 2019					
-Borrowings	**26.61**	**19.50**	**15.00**	**10.26**	**71.37**
-Other financial liabilities	**-**	**-**	**-**	**-**	**-**
Balance at the 1 April 2019					
- Borrowings	**26.61**	**19.50**	**15.00**	**10.26**	**71.37**
- Other financial liabilities	**-**	**-**	**-**	**-**	**-**
Changes from financing cash flows					
Loans availed during the year	-	107.50	15.52	-	123.02
Loans repaid during the year	-	(94.50)	(1.51)	(26.66)	(122.67)
Interest expense	3.21	1.94	2.06	3.12	10.33
Interest paid	(3.21)	(1.94)	(2.06)	-	(7.21)
Total changes from financing cash flows	**-**	**13.00**	**14.01**	**(23.54)**	**3.47**
Other changes					
Liability-related					
Change in bank overdraft	(0.35)	-	-	-	(0.35)
Change in cash credits	4.04	-	-	-	4.04
On account transition to Ind AS 116	-	-	-	62.63	62.63
On account of termination	-	-	-	(33.89)	(33.89)
New finance leases	-	-	-	11.85	11.85
Total liability-related other changes	**3.69**	**-**	**-**	**40.59**	**44.28**
Balance at the 31 March 2020					
-Borrowings	**30.30**	**32.50**	**29.01**	**-**	**91.81**
-Lease liability	**-**	**-**	**-**	**27.31**	**27.31**

NOTE 30 TRADE PAYABLES

	As at 31 March 2020	As at 31 March 2019
Trade payables to related parties	1.52	0.05
Other trade payables	24.10	28.49
	25.62	**28.54**

All trades payables are 'current'

The Company's exposure to currency and liquidity risk related to trade payables is disclosed in note 34. Also, refer note 38 on Micro, Small and Medium Enterprises.

Notes forming part of the standalone financial statements

for the year ended 31 March 2020 (Contd.)

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

NOTE 31 OTHER FINANCIAL LIABILITIES

	As at 31 March 2020	As at 31 March 2019
Advance from customers	0.01	0.01
Deposit from customers	0.32	0.51
Liability on account of share purchase agreement ^ ^	-	6.36
Contingent consideration*	-	7.16
Capital creditors	0.66	1.08
Other payables	0.85	0.84
	1.84	**15.96**
Non current	0.32	6.86
Current	1.52	9.10
	1.84	**15.96**

The Company's exposure to currency and liquidity risk related to above financial liabilities is disclosed in note 34.

*Payable towards acquisition of shares in Auroma Logistics Private Limited - During the year the Company has settled contingent consideration by cash to erstwhile shareholders of 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. The Company has settled its obligation towards such purchase for a consideration of INR 2.50 crores in the current year. This resulting in gain of INR 3.84 crores. Also refer note 7.

NOTE 32 OTHER CURRENT LIABILITIES

	As at 31 March 2020	As at 31 March 2019
Dues to employees	2.75	2.09
Statutory dues	1.18	3.93
	3.93	**6.02**
Non current	-	-
Current	3.93	6.02
	3.93	**6.02**

NOTE 33 PROVISIONS

	Non current		Current	
	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019
Provision for employee benefits				
Liability for gratuity	3.82	3.17	0.41	0.35
Liability for compensated absences	1.46	1.04	0.16	0.12
	5.28	**4.21**	**0.57**	**0.47**

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".

Notes forming part of the standalone financial statements

for the year ended 31 March 2020 (Contd.)

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

NOTE 33 PROVISIONS (CONTD.)

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. Reconciliation of the net defined benefit (asset)/ liability

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

Reconciliation of present value of defined benefit obligation

	As at 31 March 2020	As at 31 March 2019
Balance at the beginning of the year	3.52	2.37
Benefits paid	(0.32)	(0.06)
On account of transfer of employees	0.15	-
Current service cost	0.33	0.21
Interest cost	0.27	0.37
Actuarial (gains) losses recognised in other comprehensive income		
- changes in demographic assumptions	-	-
- changes in financial assumptions	0.26	0.48
- experience adjustments	0.02	0.15
Balance at the end of the year	**4.23**	**3.52**

C. Expense/ (income) recognised in the statement of profit or loss

	Year ended 31 March 2020	Year ended 31 March 2019
Current service cost	0.33	0.21
Interest cost	0.27	0.37
	0.60	**0.58**

D. Remeasurements recognised in other comprehensive income

	Year ended 31 March 2020	Year ended 31 March 2019
Actuarial loss on defined benefit obligations	0.28	0.63
	0.28	**0.63**

E. Defined benefit obligation

i. Actuarial assumptions

Principal actuarial assumptions at the reporting date:

	As at 31 March 2020	As at 31 March 2019
Discount rate	6.50%	7.50%
Future salary growth	10.00%	10.00%
Attrition rate	12.50%	12.50%

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

NOTE 33 PROVISIONS (CONTD.)

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 2020		As at 31 March 2019	
	Increase in %	Decrease in %	Increase in %	Decrease in %
Discount rate (1% movement)	(0.27)	0.29	(0.22)	0.24
Future salary growth (1% movement)	0.27	(0.25)	0.24	(0.22)
Attrition rate (1% movement)	(0.06)	0.07	(0.04)	0.04

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

NOTE 34 FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT

A. Accounting classification and fair values

	Note	As at 31 March 2020				As at 31 March 2019			
		FVTPL	FVOCI	Amortised cost	At cost	FVTPL	FVOCI	Amortised cost	At cost
Financial assets not measured at fair value									
Trade receivables	20	-	-	65.37	-	-	-	76.69	-
Cash and cash equivalents	21	-	-	1.03	-	-	-	0.57	-
Other bank balances	22	-	-	18.63	-	-	-	0.59	-
Loans	24	-	-	13.10	-	-	-	21.76	-
Deposits and other receivables	23	-	-	10.94	-	-	-	15.35	-
Investments	18	-	-	-	69.96	-	-	-	73.66
Other financial assets	25	-	-	9.99	-	-	-	9.66	-
Total financial assets		**-**	**-**	**119.06**	**69.96**	**-**	**-**	**124.62**	**73.66**
Financial liabilities not measured at fair value									
Trade payables	30	-	-	25.62	-	-	-	28.54	-
Lease liabilities	17	-	-	27.31					
Borrowings	29	-	-	91.81	-	-	-	71.37	-
Other financial liabilities	31	-	-	1.84	-	-	-	15.96	-
Total financial liabilities		**-**	**-**	**146.58**		**-**	**-**	**115.87**	**-**

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.

Notes forming part of the standalone financial statements

for the year ended 31 March 2020 (Contd.)

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

NOTE 34 FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT (CONTD.)

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 34A), because their carrying amounts are a reasonable approximation of fair value.

	As at 31 March 2020			As at 31 March 2019		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets not measured at fair value						
Security deposits	-	10.94	-	-	15.35	-
	-	**10.94**	**-**	**-**	**15.35**	**-**

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.

Notes forming part of the standalone financial statements

for the year ended 31 March 2020 (Contd.)

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

NOTE 34 FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT (CONTD.)

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

	Carrying amount	
	As at 31 March 2020	As at 31 March 2019
Trade receivables	65.37	76.69
Cash and bank balances	1.03	0.57
Other bank balances	18.63	0.59
Loans	13.10	21.76
Investments	69.96	73.66
Deposits and other receivables	10.94	15.35
Other financial assets	9.99	9.66
Total	**189.02**	**198.28**

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 payment behaviour 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 2020	As at 31 March 2019
Customer A	11.80	10.05
Customer B	10.47	9.34
Customer C	8.75	8.27
	31.02	**27.66**

Notes forming part of the standalone financial statements

for the year ended 31 March 2020 (Contd.)

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

NOTE 34 FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT (CONTD.)

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

As at 31 March 2020

	Gross carrying amount	Weighted-average loss rate	Loss allowance	Whether credit impaired
Not due	23.61	0.00%	-	No
Past due 1-90 days	23.35	0.43%	(0.10)	No
Past due 90-180 days	13.41	3.58%	(0.48)	No
Past due 181-270 days	2.81	4.27%	(0.12)	No
Past due 271-365 days	1.47	11.56%	(0.17)	No
Past due for more than 365 days	3.77	57.82%	(2.18)	No
Total	**68.42**		**(3.05)**	

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)**	

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 2020	As at 31 March 2019
Balances at 1 April	0.66	0.18
Provision for the year	2.39	0.48
Balance at 31 March	**3.05**	**0.66**

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 19.66 at 31 March 2020 (31 March 2019: INR 1.16). 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.

Notes forming part of the standalone financial statements

for the year ended 31 March 2020 (Contd.)

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

NOTE 34 FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT (CONTD.)

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:

	Contractual cash flows						
	Carrying amount	**Gross**	**6 months or less**	**6-12 months**	**1-2 years**	**2-5 years**	**More than 5 years**
31 March 2020							
Non derivative financial liabilities							
Loans from banks	91.81	91.81	91.81	-	-	-	-
Lease liabilities	27.31	31.82	6.38	5.01	8.49	11.94	-
Trade payables	25.62	25.62	25.62	-	-	-	-
Other financial liabilities	1.84	1.84	1.84	-	-	-	-
	146.58	**151.09**	**125.65**	**5.01**	**8.49**	**11.94**	**-**

	Contractual cash flows						
	Carrying amount	**Gross**	**6 months or less**	**6-12 months**	**1-2 years**	**2-5 years**	**More than 5 years**
31 March 2019							
Non derivative financial liabilities							
Loan from banks	61.11	63.76	46.81	0.70	8.57	7.88	-
Lease liabilities	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	**124.39**	**80.49**	**7.56**	**11.63**	**24.91**	**-**

Impact of COVID-19 (Pandemic):

Financial instruments carried at fair value as at 31 March 2020 is INR Nil (31 March 2019: Nil) and financial instruments carried at amortised cost as at 31 March 2020 is INR 119.06 crores (31 March 2019: 124.62 crores)

Financial assets of INR 119.06 crores as at 31 March 2020 carried at amortised cost is in the form of cash and cash equivalents, bank deposits trade receivables, loans given to body corporates, deposits and other receivables and other financial assets where the Company has assessed the counterparty credit risk. Trade receivables of INR 65.37 crores as at 31 March 2020 forms a significant part of the financial assets carried at amortised cost, which is valued considering provision for allowance using expected credit loss method. In addition to the historical pattern of credit loss, we have considered the likelihood of increased credit risk and consequential default considering emerging situations due to COVID-19. This assessment is not just based on any mathematical model but an assessment considering the nature of business and the financial strength of the customers in respect of whom amounts are receivable. The Company closely monitors its customers who are going through financial stress and assesses actions such as change in the credit terms and following up for collection etc., depending on severity of each case. The same assessment is done in respect of unbilled receivables INR 2.55 crores as at 31 March 2020 while arriving at the level of provision that is required. Basis this assessment, the allowance for doubtful trade receivables of INR 3.05 crores as at 31 March 2020 is considered adequate.

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.

Notes forming part of the standalone financial statements

for the year ended 31 March 2020 (Contd.)

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

NOTE 34 FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT (CONTD.)

The following table analyses foreign currency risk from financial instruments:

	As at 31 March 2020		As at 31 March 2019	
	INR	USD	INR	USD
Financial assets:				
Trade receivables	61.30	4.07	67.57	9.12
Investments	69.96	-	73.66	-
Loans	13.10	-	21.76	-
Cash and cash equivalents	1.03	-	0.57	-
Other bank balances	18.63	-	0.59	-
Deposits and other receivables	10.94	-	15.35	-
Other financial assets	8.84	1.15	8.47	1.19
Financial liabilities:				
Borrowings	(82.30)	(9.51)	(71.37)	-
Lease liabilities	(27.31)	-	-	-
Trade payables	(25.62)	-	(28.54)	-
Other financial liabilities	(1.84)	-	(15.96)	-
Net assets / (liabilities)	**46.73**	**(4.29)**	**72.10**	**10.31**

Sensitivity analysis

A reasonably possible strengthening (weakening) of INR against US dollar at 31 March 2020 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 2020				
USD (1% movement)	(0.43)	0.43	-	-
31 March 2019				
USD (1% movement)	0.10	(0.10)	-	-

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:

Fixed-rate instruments

	31 March 2020	31 March 2019
Fixed rate instruments		
Financial assets - Other bank balances	18.63	0.59
Financial assets - Loans	13.10	21.76
Financial assets - Finance lease receivable	4.59	5.44
Financial liabilities- Term loans	(29.01)	(15.00)
Financial liabilities- Working capital loan	(32.50)	(19.50)
Financial liabilities- Finance lease obligation	(27.31)	(10.26)
	(71.13)	**(17.56)**

Variable-rate instruments		
Financial liabilities- Secured loan	(30.30)	(26.61)
	(30.30)	**(26.61)**

Notes forming part of the standalone financial statements

for the year ended 31 March 2020 (Contd.)

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

NOTE 34 FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT (CONTD.)

Cash flow sensitivity analysis for variable rate instruments

A reasonable possible change of 100 basic 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	
	100 bp increase	**100 bp decrease**
31 March 2020		
Variable-rate instrument	(0.30)	0.30
Cash flow sensitivity (net)	(0.30)	0.30
31 March 2019		
Variable-rate instrument	(0.27)	0.27
Cash flow sensitivity (net)	(0.27)	0.27

NOTE 35 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

	Year ended 31 March 2020	**Year ended 31 March 2019**
Lease expense	19.47	47.10

NOTE 36 CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

	As at March 31 2020	**As at March 31 2019**
Estimated amount of contracts remaining to be executed on capital account and not provided	0.04	0.19
Contingent liabilities:		
Bank guarantees issued	7.00	7.00

NOTE 37 RELATED PARTIES

(i) Names of related parties and description of relationship

Nature of Relationship	**Name of the Party**
Holding company	Redington (India) Limited (RIL)
Subsidiary companies	Rajprotim Supply Chain Solutions Limited (RCS)
	Auroma Logistics Private limited (ALPL) (from 6 March 2019)
Fellow Subsidiary	Ensure Support Services (India) Limited (ESS)
Holding company's trust	Foundation for CSR @ Redington
Key Management Personnel	Mr. E.H. Kasturi Rangan (Managing Director)
	Dr. R. Arunachalam, Chief Executive Officer (CEO)
	Mr. N R Venkatesan, Chief Finance Officer (CFO) (from 20 March 2020)
	Mr. Kasi Viswanathan P.S, Chief Finance Officer (CFO) (till 21 February 2020)

Notes forming part of the standalone financial statements

for the year ended 31 March 2020 (Contd.)

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

NOTE 37 RELATED PARTIES (CONTD.)

B. Transaction with key management personnel

i. Loan to Director

The Company as a apart of scheme approved, by members at extra ordinary meeting, granted an unsecured housing loan to its managing director amounting to INR 0.40 crores (31 March 2019: Nil). The interest rate is fixed at 9% p.a.

	Purpose	Year ended 31 March 2020	Year ended 31 March 2019
As at the beginning of the financial year		-	-
Given during the financial year	Housing loan	0.40	-
Repaid during the financial year		-	-
As at the end of the financial year		**0.40**	**-**
Interest		-	-

ii. 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:

	Managing Director	CEO	CFO	Total
For the year ended 31 March 2020				
Short term employee benefits	0.79	0.64	0.47	1.90
Post-employment defined benefits	-	*	*	*
Compensated absences	-	*	*	*
Stock Compensation expense	0.17	0.12	-	0.29
Sitting fees	0.10	-	-	0.10
Total	**1.06**	**0.76**	**0.47**	**2.29**

	Managing 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**

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.

Notes forming part of the standalone financial statements
for the year ended 31 March 2020 (Contd.)

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

NOTE 37 RELATED PARTIES (CONTD.)

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

	Transaction value		Balance outstanding	
	Year ended 31 March 2020	Year ended 31 March 2019	As at 31 March 2020	As at 31 March 2019
Sale of goods and services				
RIL	56.50	65.39	10.47	9.34
RCS	0.38	-	0.41	-
ALPL	0.06	-	0.07	-
Rental Expenses				
RIL	4.33	3.18	1.52	0.49
ESS	-	0.28		-
Service charges				
RIL	0.28	0.22	-	-
ESS	-	0.07	-	-
Interest expense				
RIL	-	0.04		-
Interest Income				
RCS	1.05	0.53	0.08	0.07
Proceeds from issue of equity shares				
RIL	-	25.00	-	-
Loan taken				
RIL	-	5.00	-	-
Loan repaid				
RIL	-	5.00	-	-
Dividend paid				
RIL	-	4.35	-	-
Loans given				
RCS	28.82	21.97	-	9.76
Repayment of loan given				
RCS	27.48	12.21	-	-

Notes forming part of the standalone financial statements

for the year ended 31 March 2020 (Contd.)

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

NOTE 38 DUE TO MICRO, SMALL AND MEDIUM ENTERPRISES

Under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) which came into force from October 2, 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, the Group's suppliers are covered under the MSMED and accordingly, disclosure of information relating to principal, interest accruals and payments are given below:

	Year ended 31 March 2020	Year ended 31 March 2019
(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;	0.07	-
(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.	-	-

NOTE 39 STOCK APPRECIATION RIGHTS

On December 30, 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 2020 (Contd.)

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

NOTE 39 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	As at March 31 2020	As at March 31 2019
Fair value at grant date (weighted-average) (INR)	71.99 per SAR	71.99 per SAR
Share price at grant date (INR)	174.60 per share	174.60 per share
Base price / Exercise price (INR)	148.50 per SAR	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.

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 2020	31 March 2019
Outstanding as at 1 April 2019	1,104,000	1,104,000
Add: Granted during the year	-	-
Less: Exercise during the year	-	-
Less: Forfeited during the year	(99,250)	-
Outstanding as at 31 March 2020	1,004,750	1,104,000
SARs exercisable at the end of the year	Nil	Nil

The SARs outstanding as at 31 March 2020 and 31 March 2019 have a base price / exercise price of INR 148.50 per SAR and a weighted average remaining contractual life of 1.85 years (31 March 2019: 2.85 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 27B.

NOTE 40 SUBSEQUENT EVENTS

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

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

Praveen Kumar Jain
Partner
Membership No. 079893

Place: Chennai
Date : 9 June 2020

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

Kasturi Rangan E.H
Managing Director
DIN: 01814089

Krishnan S.V
Director
DIN: 07518349

Dr. Arunachalam R
Chief Executive Officer
Place: Chennai
Date: 6 June 2020

N R Venkatesan
Chief Financial Officer

Independent Auditors' 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 (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated balance sheet as at 31 March 2020, 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 auditor on separate financial statements of such subsidiary as were audited by the other auditor, 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 2020, of its consolidated loss 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 ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditor referred to in sub paragraph (a) of the "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

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 Director's report, but does not include the financial statements and our auditors' report thereon. The Holding Company's Director's 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. When we read the Company's Director's Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Management's and Board of Directors' Responsibilities 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 Management and 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 Management and 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 the respective Board of Directors either intends to

Independent Auditors' Report (Contd.)

liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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 the internal financial controls with reference to the consolidated financial statements and the operating effectiveness of such controls based on our audit.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of Management and Board of Directors 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 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. We are responsible for the direction, supervision and performance of the audit of financial information of such entity included in the consolidated financial statements of which we are the independent auditors. For the other entity included in the consolidated financial statements, which have been audited by other auditor, such other auditor remains 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 report of the other auditor 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

We did not audit the financial information of one subsidiary, whose financial information reflect total assets of ₹ 35.71 crores as at 31 March 2020, total revenues of ₹ 73.51 crores and net cash flows amounting to ₹ (21.00) crores for the year ended on that date, as considered in the consolidated financial statements. These financial information have been audited by other auditor whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates

Independent Auditors' Report (Contd.)

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

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 matters with respect to our reliance on the work done and the reports of the other auditor.

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 auditor on separate financial statements of such subsidiary as were audited by other auditor, 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 auditor.

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 2020 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 is disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls 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 auditor on separate financial statements of the subsidiary, as noted in the 'Other Matters' paragraph:

i. There were no pending litigations as at 31 March 2020 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 2020.

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 2020.

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 2020.

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 company incorporated in India which were not audited by us, the remuneration paid during the current year by the Holding Company, its subsidiary company 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, its subsidiary company 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

Praveen Kumar Jain
Partner
Membership No. 079893
ICAI UDIN: 20079893AAAABC4784

Place: Chennai
Date: 9 June 2020

Annexure A to the Independent Auditors' report on the consolidated financial statements of ProConnect Supply Chain Solutions Limited for the year ended 31 March 2020

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)

Opinion

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2020, 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 2020, 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 and Board of Directors 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").

Auditors' 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 auditor of the relevant subsidiary company 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

Annexure A to the Independent Auditors' report on the consolidated financial statements of ProConnect Supply Chain Solutions Limited for the year ended 31 March 2020 (Contd.)

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 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 one subsidiary company, which is a company incorporated in India, is based on the corresponding report of the other auditor of such company 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

Praveen Kumar Jain
Partner
Membership No. 079893
ICAI UDIN: 20079893AAAABC4784

Place: Chennai
Date: 9 June 2020

ProConnect Integrated Logistics
a Redington company

Consolidated Balance Sheet

as at 31 March 2020

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

	Note	As at 31 March 2020	As at 31 March 2019
ASSETS			
Non-current assets			
Property, plant and equipment	15	11.54	19.80
Capital Work in Progress		0.06	-
Right-of-use assets	17	31.08	-
Goodwill	16	15.74	19.34
Intangible assets	16	18.35	22.81
Financial assets			
Deposits and other receivables	22	11.55	15.52
Other financial assets	24	3.76	4.59
Deferred tax assets (net)	14	1.85	0.81
Income tax assets (net)		16.47	2.88
Other non-current assets	25	4.95	5.17
Total non-current assets		**115.35**	**90.92**
Current assets			
Inventories	18	-	-
Financial assets			
Trade receivables	19	96.11	122.70
Cash and cash equivalents	20	2.42	4.73
Other bank balances	21	22.57	4.26
Loans	23	2.00	12.00
Deposits and other receivables	22	5.46	5.85
Other financial assets	24	15.52	6.63
Other current assets	25	15.39	63.58
Total current assets		**159.47**	**219.75**
Total assets		**274.82**	**310.67**
Equity and liabilities			
Equity			
Equity share capital	27A	9.08	9.08
Other equity	27B		
Capital Reserve		5.01	3.31
Securities premium		35.47	35.47
Retained earnings		9.48	81.20
Others (including items of other comprehensive income)		(1.19)	(7.15)
Equity attributable to owners of the Company		**57.85**	**121.91**
Non-controlling interests	33	-	7.27
Total equity		**57.85**	**129.18**
LIABILITIES			
Non-current liabilities			
Financial Liabilities			
Borrowings	29	-	23.60
Lease liability	17	23.27	-
Other financial liabilities	30	0.33	6.86
Provisions	33	5.92	4.51
Deferred tax liability (net)	14	-	1.21
Total non-current liabilities		29.52	36.18
Current liabilities			
Financial liabilities			
Borrowings	29	118.48	79.36
Lease liability	17	14.61	-
Trade payables	29		
Total outstanding dues to micro enterprises and small enterprises		0.08	-
Total outstanding dues to creditors other than micro enterprises and small enterprises		44.98	46.39
Other financial liabilities	30	2.03	9.19
Provisions	32	0.69	0.49
Income tax liabilities (net)		-	0.49
Other current liabilities	31	6.58	9.39
Total current liabilities		**187.45**	**145.31**
Total liabilities		**216.97**	**181.49**
Total equity and liabilities		**274.82**	**310.67**
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

Praveen Kumar Jain
Partner
Membership No. 079893

Place: Chennai
Date : 9 June 2020

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

Kasturi Rangan E.H
Managing Director
DIN: 01814089

Krishnan S.V
Director
DIN: 07518349

Dr. Arunachalam R
Chief Executive Officer

N R Venkatesan
Chief Financial Officer

Place: Chennai
Date: 6 June 2020

Consolidated Statement of Profit and Loss

for the year ended 31 March 2020

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

	Note	Year ended 31 March 2020	Year ended 31 March 2019
Revenue			
Revenue from operations	6	422.20	397.40
Other income	7	10.12	6.06
Total Revenue		**432.32**	**403.46**
Expenses			
Purchase of spares	8	0.05	0.07
Changes in inventories of spares	9	-	-
Employee benefits expense	10	40.26	34.02
Finance costs	11	15.69	6.98
Depreciation and amortisation expense	12	40.33	7.12
Other expenses	13	388.22	311.27
Total expenses		**484.55**	**359.46**
(Loss)/ Profit before tax and exceptional items		**(52.23)**	**44.00**
Exceptional items:			
Impairment of Goodwill	16	3.60	-
(Loss)/ Profit before tax		**(55.83)**	**44.00**
Income tax	14		
Current tax		3.37	13.95
Deferred tax		(1.03)	(0.65)
Income tax expense		**2.34**	**13.30**
(Loss)/ Profit for the year		**(58.17)**	**30.70**
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Remeasurements of the defined benefit liability		(0.54)	(0.61)
Income tax relating to items that will not be reclassified to profit or loss		0.14	0.18
Net other comprehensive income not to be reclassified subsequently to profit or loss		**(0.40)**	**(0.43)**
Other comprehensive income for the year, net of income tax		**(0.40)**	**(0.43)**
Total comprehensive income for the year		**(58.57)**	**30.27**
(Loss) / Profit for the year attributable to			
Owners of the Company		(56.67)	29.54
Non-controlling interests		(1.50)	1.16
(Loss) / Profit for the year		**(58.17)**	**30.70**
Other comprehensive income attributable to			
Owners of the Company		(0.40)	(0.43)
Non-controlling interests		-	-
Other comprehensive income for the year		**(0.40)**	**(0.43)**
Total comprehensive income attributable to			
Owners of the Company		(57.07)	29.11
Non-controlling interests		(1.50)	1.16
Total comprehensive income for the year		**(58.57)**	**30.27**
Earnings per share	27		
Basic and diluted earnings per share (in Indian Rupees) before exceptional items		(58.44)	40.06
Basic and diluted earnings per share (in Indian Rupees) after exceptional items		(62.40)	40.06

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

Praveen Kumar Jain
Partner
Membership No. 079893

Place: Chennai
Date : 9 June 2020

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

Kasturi Rangan E.H
Managing Director
DIN: 01814089

Krishnan S.V
Director
DIN: 07518349

Dr. Arunachalam R
Chief Executive Officer

N R Venkatesan
Chief Financial Officer

Place: Chennai
Date: 6 June 2020

ProConnect
Integrated Logistics
a Redington company

Consolidated Statement of Cash Flow

for the year ended 31 March 2020

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

	Note	Year ended 31 March 2020	Year ended 31 March 2019
Cash flow from operating activities			
(Loss)/ Profit before taxes		(55.83)	44.00
Adjustments for:			
Depreciation and amortisation		40.33	7.12
Provision for doubtful debts		11.27	0.48
Provision for financial asset		11.89	-
Provision for trade advances		20.69	-
Impairment of goodwill		3.60	-
Gain on sale of property, plant and equipment		(0.13)	(0.06)
Finance costs		15.69	6.98
Stock compensation expense		1.70	2.64
Gain on derecognition of forward liability		(3.84)	-
Interest income on security deposits at amortised cost		(2.45)	(1.49)
Prepayment of rent		0.22	0.43
Interest income on cash and cash equivalents and loans		(1.56)	(1.19)
		41.58	**58.91**
Working capital adjustments:			
Decrease / (increase) in trade receivables		14.16	(29.26)
Decrease / (increase) in deposits and other receivables		4.17	(7.22)
Decrease / (increase) in other current / non-current financial assets		13.44	(2.41)
Decrease / (increase) in other current / non current assets		8.23	(43.52)
Increase in trade payable and other financial liabilities		0.05	17.78
(Decrease) / increase in provisions and other current liabilities		(2.42)	1.55
Cash generated from operating activities		**79.21**	**(4.17)**
Income tax paid (net)		(17.46)	(15.27)
Net cash generated/ (used in) from operating activities (A)		**61.75**	**(19.44)**
Cash flow from investing activities			
Interest received		0.43	0.59
Proceeds from sale of property, plant and equipment		0.47	0.06
Acquisition of property, plant and equipment		(4.15)	(8.17)
Acquisition of subsidiary, net of cash and cash equivalents acquired		-	(33.78)
Payment of liability in accordance with share purchase agreement		(2.50)	-
Contingent consideration paid		(7.50)	-
Investments in bank deposits with original maturity of more than 3 months		(18.32)	3.07
Net cash used in investing activities (B)		**(31.57)**	**(38.23)**
Cash flow from financing activities			
Proceeds from issue of share capital (including securities premium)		-	25.00
Proceeds from long-term borrowings		**15.52**	**15.00**
Repayment of long term borrowings		(1.51)	-
Proceeds from short term borrowings from related parties		-	5.00

Consolidated Statement of Cash Flow

for the year ended 31 March 2020 (Contd.)

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

	Note	Year ended 31 March 2020	Year ended 31 March 2019
Repayment of short term borrowings to related parties		-	(5.00)
Acquisition of non-controlling interests		(11.00)	(3.17)
Net proceeds from short term borrowings		5.75	15.95
Payment of finance lease obligations		(36.33)	(0.75)
Interest paid		(10.94)	(6.98)
Dividend paid (and related dividend distribution tax)		-	(5.24)
Net cash generated from financing activities (C)		**(38.51)**	**39.81**
Net (decrease) / increase in cash and cash equivalents (A+B+C)		**(8.33)**	**(17.86)**
Cash and cash equivalents as at 1 April		(41.02)	(23.16)
Cash and cash equivalents as at 31 March	20	**(49.35)**	**(41.02)**
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

Praveen Kumar Jain
Partner
Membership No. 079893

Place: Chennai
Date : 9 June 2020

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

Kasturi Rangan E.H
Managing Director
DIN: 01814089

Krishnan S.V
Director
DIN: 07518349

Dr. Arunachalam R
Chief Executive Officer

N R Venkatesan
Chief Financial Officer

Place: Chennai
Date: 6 June 2020

ProConnect Integrated Logistics
a Redington company

Consolidated Statement of changes in equity

for the year ended 31 March 2020

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

(a) Equity share capital

Particulars	Amount	No. of shares
Equity shares of ₹ 10 each issued, subscribed and fully paid		
Balance as at 1 April 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**
Shares issued during the year	-	-
Balance as at 31 March 2020	**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 2018	**12.31**	**60.17**	**0.67**	**0.38**	**(0.74)**	**72.79**	**6.22**	**79.01**
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								
Stock compensation cost	-	-	2.64	-	-	2.64	-	2.64
Securities premium on shares issued during the year	23.16	-	-	-	-	23.16	-	23.16
Dividend, including distribution 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**
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 non-controlling interests	-	-	-	(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**
Loss for the year	-	(56.67)	-	-	-	(56.67)	(1.50)	(58.17)
Other comprehensive income for the year	-	-	-	-	(0.40)	(0.40)	-	(0.40)
Impact on account of change in accounting policy, net of tax (Ind AS 116)	-	(3.46)	-	-	-	(3.46)	-	(3.46)
Total comprehensive income	**-**	**(60.13)**	**-**	**-**	**(0.40)**	**(60.53)**	**(1.50)**	**(62.03)**

Consolidated Statement of changes in equity

for the year ended 31 March 2020 (Contd.)

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

(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			
Contributions and distributions from owners								
Stock compensation cost	-	-	1.70	-	-	1.70	-	1.70
Total contributions and distributions from owners	-	-	1.70	-	-	1.70		1.70
Changes in ownership interests in subsidiaries that do not result in loss of control								
Acquisition of non-controlling interests (RCS)	-	(9.12)	-	-	-	(9.12)	(1.88)	(11.00)
Acquisition of non-controlling interests (ALPL)	-	(2.47)	-	6.36	-	3.89	(3.89)	-
Total changes in ownership interests in subsidiaries	-	(11.59)	-	6.36	-	(5.23)	(5.77)	(11.00)
Total transactions with owners	-	(11.59)	1.70	6.36	-	(3.53)	(5.77)	(9.30)
Balance as at 31 March 2020	35.47	9.48	5.01	0.38	(1.57)	48.77	-	48.77

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

Praveen Kumar Jain
Partner
Membership No. 079893

Place: Chennai
Date : 9 June 2020

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

Kasturi Rangan E.H
Managing Director
DIN: 01814089

Krishnan S.V
Director
DIN: 07518349

Dr. Arunachalam R
Chief Executive Officer

N R Venkatesan
Chief Financial Officer

Place: Chennai
Date: 6 June 2020

Notes forming part of the Consolidated financial statements

for the year ended 31 March 2020

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 6 June 2020.

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
- Defined benefit liability	Present value of defined benefit obligations
- Contingent consideration in business combination	Fair value

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. All assets and liabilities have been classified as current and non-current as per the Group's normal operating cycle.

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.

Impact of COVID-19 pandemic

In March 2020, the World Health Organisation declared COVID-19 to be a pandemic. The Group has adopted measures to curb the spread of infection in order to protect the health of its employees and ensure business continuity with minimal disruption.

The Group has considered internal and external information while finalizing various estimates in relation to its financial statements captions upto the dates of its approval of financial statements by the Board of Directors. The actual impact of global health pandemic may be different from which has been estimated, as the COVID-19 situation in India and globally. The Group will continue to closely monitor any material changes to future economic conditions.

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 6 – revenue : whether the Group acts as an agent rather than as a principal in a transaction;

- Note 23 – lease accounting under Ind AS 116 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 2020 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

Notes forming part of the Consolidated financial statements

for the year ended 31 March 2020 (Contd.)

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).

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 34 – financial instruments

- Note 39 – stock appreciation rights

2.6 Changes in accounting policies

Except for the changes below, the Group has consistently applied the accounting policies to all the periods present in these financial statements.

The Group applied Ind AS 116 with effect from 1 April 2019. A number of other new standards are also effective from 1 April 2019 but they do not have a material effect on the Group's financial statements. As a result the Group has changed its accounting policy for lease contracts as detailed below.

The Group applied Ind AS 116 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings as at 1 April 2019. Accordingly, the comparative information presented for the year ended 31 March 2019 is not restated – i.e. it is presented, as previously reported, under Ind AS 17. The details of the changes in accounting policies are disclosed below. Additionally, the disclosure requirements in Ind AS 116 have not generally been applied to comparative information.

A. Definition of a lease

Previously, the Group determined at contract inception whether an arrangement was or contained a lease under Ind AS 17 Leases. The Group now assesses whether a contract is or contains a lease based on the definition of a lease, as explained in Note 2.7 (A).

On transition to Ind AS 116, the Group elected to apply the practical expedient to consider the assessment of which transactions are leases. The Group applied Ind AS 116 only to contracts that were previously identified as leases. Contracts that were not identified as leases under Ind AS 17 were not reassessed for whether there is a lease under Ind AS 116. Therefore, the definition of a lease under Ind AS 116 was applied only to contracts entered into or changed on or after 1 April 2019.

B. As a lessee

As a lessee, the Group leases many assets that are in the nature of warehouse buildings. The Group previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset of the Group. Under Ind AS 116, the Group recognises right-of-use assets and lease liabilities for most of these leases – i.e. these leases are on-balance sheet.

The Group decided to apply recognition exemptions to short-term leases and leases of assets of low value. For leases of other assets, which were classified as operating under Ind AS 17, the Group recognised right-of-use assets and lease liabilities.

i) *Leases classified as Operating lease under Ind AS 17*

Previously, the Group classified property leases as operating leases under Ind AS 17. On transition, for these leases, lease liabilities were measured at the present value of the remaining lease payments, discounted at the Group's incremental borrowing rate as at 1 April 2019 (see Note 2.6 (C)). Right-of-use assets are measured at their carrying amount as if Ind AS 116 had been applied since the commencement date, discounted using the Group's incremental borrowing rate at the date of initial application

The Group has evaluated its right-to-use assets for impairment on the date of transition and has concluded that there is no indication that the right-of-use assets are impaired.

- did not recognise right-of-use assets and liabilities for leases for which the lease term ends within 12 months of the date of initial application;

- excluded initial direct costs from the measurement of the right-of-use asset at the date of initial application;

ii) Leases classified as finance leases under Ind AS 17

For the leases classified as finance leases under Ind AS 17, the carrying amount of the right-of-use asset and the lease liability at April 1, 2019 were determined at the carrying amount of the lease asset and lease liability under Ind AS 17 immediately before that date.

C. Impact on financial statements *

On transition to Ind AS 116, the Group recognised right-of-use assets and lease liabilities, recognizing the difference in retained earnings. The impact on transition is summarized below.

	1 April 2019
Right-of-use assets	79.46
Deferred tax asset	1.08
Lease liabilities	84.00
Retained earnings	3.46

* For the impact of Ind AS 116, on profit or loss for the year, refer note 17. For the details of accounting policies under Ind AS 116, and Ind AS 17, refer note 3.11. When measuring lease liability the Group discounted lease payments at the incremental borrowing rate in the range of 7.50% p.a to 8.20% p.a depending on the period

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, retrospectively 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 returns through its power over the entity. The financial statements of subsidiaries 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.

Notes forming part of the Consolidated financial statements

for the year ended 31 March 2020 (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 would be classified and measured at amortised cost or at Fair Value through Other Comprehensive Income (FVOCI) if its contractual cash flows are solely in the nature of principle and the interest on the principle amount outstanding (SPPI criterion).

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 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

Notes forming part of the Consolidated financial statements

for the year ended 31 March 2020

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 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 acquired 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 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. Property, plant

Notes forming part of the Consolidated financial statements

for the year ended 31 March 2020 (Contd.)

and equipment is depreciated on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 or technical estimate made by the Group, whichever is lower and is recognised in statement of profit and loss.

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
Customer contracts	5 years
Customer relationships	8 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 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.

3.7 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.

Notes forming part of the Consolidated financial statements

for the year ended 31 March 2020

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

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 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

Notes forming part of the Consolidated financial statements

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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.

3.9 Provisions (other than for employee benefits)

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.

Notes forming part of the Consolidated financial statements

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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 Group 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 equipment's 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 Group 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.

3.11 Leases

The Group has applied Ind AS 116 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under Ind AS 17.

i. Policy applicable from 1 April 2019

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. This policy is applied to contracts entered into, or changed, on or after 1 April 2019.

A. Group as a lessee:

The Group accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

Notes forming part of the Consolidated financial statements

for the year ended 31 March 2020 (Contd.)

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Group's incremental borrowing rate. The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources that reflects the terms of the lease and type of the asset leased.

The lease payments shall include:

- fixed payments, including in substance fixed payments;
- variable lease payments that depend on an index or rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in –substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero. The Group presents right-of-use assets and lease liabilities separately on the face of the balance sheet.

Short term leases and low value assets:

The Group has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term

B. Group as a lessor:

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative standalone prices.

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

The Group applies derecognition and impairment requirements in Ind AS 109 to the net investment in the lease. The Group further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'Other income'.

Generally, the accounting policies applicable to the Group as a lessor in the comparative period were not different from Ind AS 116 except for the classification of the sub-lease entered into during current reporting period that resulted in a finance lease classification.

ii. Policy applicable before 1 April 2019

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 impracticable to separate the payments reliably, then an asset and a 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.

Notes forming part of the Consolidated financial statements

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Operating leases:

Leases, where the lessor effectively retains substantially all the risks and rewards incidental to ownership of the leased item are classified as operating leases. Payments under operating leases are recognized in the Statement of Profit and 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 inflationary cost increase.

Finance 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 recognized in the Group's Consolidated Balance Sheet. 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.

3.13 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 income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred tax will not be recognised, when:

- 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 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 foreseeable future

Notes forming part of the Consolidated financial statements

for the year ended 31 March 2020 (Contd.)

- 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.

3.14 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.

3.15 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.

3.16 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.

3.17 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.

3.18 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 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.

3.19 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.

4 RECENT INDIAN ACCOUNTING STANDARDS (IND AS)

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

Notes forming part of the Consolidated financial statements

for the year ended 31 March 2020

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

NOTE 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 entirely domiciled in India and as such all its non-current assets are located in India.

A. Geographic information :

The geographic information analyses the Group'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.

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
India	405.98	381.00
USA	16.22	16.40
	422.20	**397.40**

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:

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Customer A	48.94	65.46
Customer B	29.31	44.76
Customer C	56.54	-

NOTE 6 REVENUE FROM OPERATIONS

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Sale of products	0.21	0.20
Sale of services		
Income from supply chain management services ^ ^	421.92	397.17
Other operating revenue		
Scrap Sales	0.07	0.03
	422.20	**397.40**

^ ^ Includes revenue INR 1.44 crores (31 March 2019: INR 0.93 crores) from renting of warehouse, net of related cost in respect of which the Group acts as an agent in the transaction rather than as the principal.

Impact of COVID-19 (Pandemic) on Revenue recognition:

While the Group believes strongly that it has a rich portfolio of services to partner with customers, the impact on future revenue streams could come from

— the inability of our customers to continue their businesses due to financial resource constraints or their services no longer being availed by their customers

Notes forming part of the Consolidated financial statements

for the year ended 31 March 2020 (Contd.)

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

- prolonged lock-down situation resulting in its inability to deploy resources at different locations due to restrictions in mobility
- customer due to cost pressure reduces the discretionary spending consequently impacting the margins on certain line of business

The Group has assessed the contracts with customers, the impact that they would have due to disruption of supply chain and drop in demand due to impact of the COVID-19 pandemic in customer business. The Group has also assessed the dependence of revenues from the impacted business verticals. The Group has considered such impact to the extent known and available currently. However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration. The Group has taken steps to ensure that revenue recognition reflect realizable values.

NOTE 7 OTHER INCOME

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Interest income on		
Cash and cash equivalents and other bank balances	0.35	0.06
Loan to corporates	1.21	1.13
Security deposits at amortised cost	2.45	1.49
Gain on derecognition of forward liability (refer note 30)	3.84	-
Net gain on sale of property, plant and equipment	0.13	0.06
Net gain on foreign currency transactions	0.11	-
Export incentives	1.08	1.25
Finance income on lease	0.65	0.72
Miscellaneous income	0.30	1.35
	10.12	**6.06**

NOTE 8 PURCHASE OF SPARES

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Purchases of spares	0.05	0.07
	0.05	**0.07**

NOTE 9 CHANGES IN INVENTORIES OF SPARES

	Year ended 31 March 2020			Year ended 31 March 2019		
	Opening stock	Closing stock	Increase / Decrease	Opening stock	Closing stock	Increase / Decrease
Stock-in-trade of spares*	-	-	-	-	-	-
	-	-	-	-	-	-

* Decrease in inventory of spares of INR Nil /- for year ended 31 March 2020 (31 March 2019: Increase in inventory of spares of INR 12,465/-) has been rounded off in crores to Nil.

Notes forming part of the Consolidated financial statements
for the year ended 31 March 2020

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

NOTE 10 EMPLOYEE BENEFITS EXPENSES

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Salaries, wages and bonus	31.17	24.74
Contribution to provident funds	1.75	1.40
Expenses related to post-employment defined benefit plans	0.53	0.63
Expenses related to compensated absences	0.51	0.29
Staff welfare expenses	4.60	4.32
Stock compensation expense (refer note 39 and 27B)	1.70	2.64
	40.26	**34.02**

Defined contribution plans
The Group 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 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 contribution to Provident Fund and ESI for the year aggregated to INR 1.75 crores (31 March 2019: INR 1.40 crores)

NOTE 11 FINANCE COSTS

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Interest on cash credit / working capital loans	10.94	6.26
Interest on loan from related parties	-	0.04
Interest on others	0.72	-
Finance cost on finance lease obligations	4.03	0.68
	15.69	**6.98**

NOTE 12 DEPRECIATION AND AMORTISATION EXPENSE

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Depreciation of property, plant and equipment (refer note 15)	5.74	5.63
Amortisation of intangible assets (refer note 16)	4.67	1.49
Depreciation of right-of-use assets (refer note 17)	29.92	-
	40.33	**7.12**

NOTE 13 OTHER EXPENSES

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Freight, delivery and shipping charges	149.60	117.63
Rent	27.11	61.19
Outsourced manpower cost	94.11	58.66
Warehouse handling charges	23.74	30.87
Consumption of packing materials	1.61	2.35
Power and fuel	4.55	3.56
Rates and taxes	2.70	1.20
Insurance	1.03	0.45

Notes forming part of the Consolidated financial statements

for the year ended 31 March 2020 (Contd.)

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

NOTE 13 OTHER EXPENSES

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Repairs and maintenance		
Buildings	0.37	0.25
Machinery	2.14	1.38
Others	7.12	6.05
Directors' sitting fees	0.10	0.06
Legal and professional charges (refer note (a) below)	3.09	4.26
Travel and Conveyance	4.17	2.94
Sales promotion expenses	0.50	0.16
Communication expenses	2.95	2.80
Security services	13.85	12.30
Printing and stationery	2.95	2.52
Provision for doubtful debts	11.27	0.48
Net loss on foreign currency transactions	-	0.38
Provision for financial asset (refer note (c) below)	11.89	-
Provision for doubtful trade advances	20.69	-
Bad debts written off	-	0.01
Bank charges	0.13	0.36
Expenditure on corporate social responsibility (refer note (b) below)	0.92	0.70
Miscellaneous expenses	1.63	0.71
	388.22	**311.27**

a. Payment to auditors

	Year ended 31 March 2020	Year ended 31 March 2019
Statutory audit	0.22	0.06
Tax audit	0.03	0.01
Other services	0.01	0.02
Reimbursement of expenses	0.01	0.02
Payment to component auditor	0.04	0.06
	0.31	**0.17**

b. Details of corporate social responsibility expenditure

	Year ended 31 March 2020	Year ended 31 March 2019
Amount required to be spent by the Group during the year	0.92	0.70
Amount spent during the year (in cash) :		
(i) Construction/ acquisition of any asset	-	-
(ii) On purposes other than (i) above	0.92	0.70
	0.92	**0.70**

c. Provision for financial assets

The Group has carried out recoverability assessment on the balances receivable from Rajprotim Agencies Private Limited ('RAPAL'), vendor for Rajprotim Supply Chain Solutions Limited ('RCS'), subsidiary of the Company. Based on the such assessment, the management has recorded INR 11.89 Crores as provision for the loans given to RAPAL. The gross amount receivable from RAPAL amounts to INR 13.89 Crores (refer note 24). The remaining amount of the loan is secured by 89% equity shares and a parcel of land of RAPAL. The management is in the process of taking necessary steps to recover the balances from RAPAL.

Notes forming part of the Consolidated financial statements

for the year ended 31 March 2020

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

NOTE 14 INCOME TAX

A. Amount recognised in the profit and loss

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Current tax		
Current period	3.20	13.95
Change in estimates to prior periods	0.17	-
Total current tax expense	**3.37**	**13.95**
Deferred tax		
Origination and reversal of temporary difference	(1.48)	(0.82)
Reduction in tax rates	0.45	0.17
Total deferred tax expense / (benefit)	(1.03)	(0.65)
	2.34	**13.30**

B. Income tax recognised in other comprehensive income

Particulars	Year ended 31 March 2020			Year ended 31 March 2019		
	Before tax	Tax (expense) / benefit	Net of tax	Before tax	Tax (expense) / benefit	Net of tax
Remeasurement of defined benefit liability (asset)	(0.54)	0.14	(0.40)	(0.61)	0.18	(0.43)
	(0.54)	**0.14**	**(0.40)**	(0.61)	0.18	(0.43)

C. Reconciliation of effective tax rate

	Year ended 31 March 2020		Year ended 31 March 2019	
Enacted tax rates in India	**25.17%**	**(14.05)**	**29.12%**	**12.81**
Computed expected tax expense				
Differences in tax rates in subsidiaries*	0.00%	-	(0.27%)	(0.12)
Current year losses, for which no deferred tax was recognised	(8.35%)	4.66	0.00%	-
Changes in tax rates	(0.81%)	0.45	0.39%	0.17
Changes in estimates related to prior years	(0.30%)	0.17	0.52%	0.23
Unrecognised temporary differences	(15.65%)	8.74	0.00%	-
Effect of non-deductible expenses	(4.62%)	2.58	0.48%	0.21
Others	0.38%	(0.21)	0.00%	-
Income tax expense	**(4.19%)**	**2.34**	**30.23%**	**13.30**

* Subsidiaries of the Group operates at a lower tax rate

D. Recognized deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Deferred tax assets		Net Deferred tax assets (liabilities)	
	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019
Property, plant and equipment	1.98	0.27	-	(0.11)
Provision - employee benefits	1.61	0.13	-	1.67
Finance lease receivable	(1.16)	-	-	(1.58)
Right-of-use assets/Lease liabilities	(1.15)	-	-	-
Finance lease payable	2.80	-	-	2.99
Intangible assets	(3.86)	(0.07)	-	(4.37)
Provision - others	1.63	0.48	-	0.19
Net deferred tax (assets) liabilities	**1.85**	**0.81**	**-**	**(1.21)**

Notes forming part of the Consolidated financial statements

for the year ended 31 March 2020 (Contd.)

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

NOTE 14 INCOME TAX (CONTD.)

Movement in temporary differences of net deffered tax assets/(liabilities):

	Balance as at 1 April 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	Recognized in profit or loss during 2019-20	Transition impact on account of Ind AS 116	Recognized in OCI during 2019-20	Balance as at 31 March 2020
Property, plant and equipment	1.07	(1.11)	-	0.20	0.16	1.82	-	-	1.98
Provision - employee benefits	0.98	0.64	0.18	-	1.80	(0.33)	-	0.14	1.61
Finance lease receivable	(1.26)	(0.32)	-	-	(1.58)	0.42	-	-	(1.16)
Right-of-use assets/ Lease liabilities	-	-	-	-	-	(2.23)	1.08	-	(1.15)
Finance lease payable	1.42	1.57	-	-	2.99	(0.19)	-	-	2.80
Intangible assets	(0.10)	0.03	-	(4.37)	(4.44)	0.58	-	-	(3.86)
Provision - others	0.80	(0.16)	-	0.03	0.67	0.96	-	-	1.63
	2.91	**0.65**	**0.18**	**(4.14)**	**(0.40)**	**1.03**	**1.08**	**0.14**	**1.85**

E. Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items, because it is not probable that future taxable profit will be available against which the Group can use the benefits therefrom:

	31 March 2020		31 March 2019	
	Gross amount	Unrecognised tax effect	Gross amount	Unrecognised tax effect
Deductible temporary differences	0.83	0.21	-	-
Tax losses	18.50	4.66	-	-
	19.33	**4.87**	**-**	**-**

F. Tax losses carried forward

Tax losses for which no deferred tax asset was recognised expire as follows:

	31 March 2020	Expiry date	31 March 2019	Expiry date
Expire	17.52	2021-2027	-	
Never expire	0.98		-	
	18.50		**-**	

NOTE 15 PROPERTY, PLANT AND EQUIPMENT

A. Reconciliation of carrying amount

Particulars	Building	Plant and machinery	Office equipment	Furniture and fixtures	Computers	Vehicles	Lease hold improvements	Total
Deemed cost / Cost (Gross carrying amount)								
Balance as at 1 April 2018	-	4.60	3.23	6.46	4.95	1.93	-	21.17
Additions	0.21	6.02	1.48	1.46	3.00	0.69	-	12.86
Acquisitions through business combination	-	0.23	0.60	0.09	0.02	0.10	0.01	1.05
Disposals	-	-	-	-	-	(0.09)	-	(0.09)
Balance as at 31 March 2019	**0.21**	**10.85**	**5.31**	**8.01**	**7.97**	**2.63**	**0.01**	**34.99**
Finance lease	-	(4.60)	(0.60)	-	(0.92)	-	-	(6.12)
Additions (also refer note B below)	-	1.42	0.04	0.43	1.06	0.29	0.18	3.42
Disposals	-	(0.01)	-	(0.06)	(0.24)	(0.39)	-	(0.70)
Balance as at 31 March 2020	**0.21**	**7.66**	**4.75**	**8.38**	**7.87**	**2.53**	**0.19**	**31.59**
Accumulated depreciation								
Balance as at 1 April 2018	-	2.02	1.34	2.69	2.94	0.58	-	9.57

Notes forming part of the Consolidated financial statements

for the year ended 31 March 2020

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

NOTE 15 PROPERTY, PLANT AND EQUIPMENT (CONTD.)

A. Reconciliation of carrying amount

Particulars	Building	Plant and machinery	Office equipment	Furniture and fixtures	Computers	Vehicles	Lease hold improvements	Total
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**
Finance lease	-	(0.35)	(0.09)	-	(0.07)	-	-	(0.51)
Additions	0.05	1.25	0.93	1.32	1.61	0.49	0.09	5.74
Disposals	-	-	-	(0.01)	(0.05)	(0.31)		(0.37)
Balance as at 31 March 2020	0.07	4.84	3.04	4.87	6.01	1.13	0.09	20.05
Carrying amount (net)								
As at 31 March 2019	0.19	6.91	3.11	4.45	3.45	1.68	0.01	19.80
As at 31 March 2020	**0.14**	**2.82**	**1.71**	**3.51**	**1.86**	**1.40**	**0.10**	**11.54**

B. Property, plant and equipment held under finance leases

The Company had 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 29). Out of these leased asset, the Company has sub leased assets amounting to INR 4.84 crore under a finance lease arrangement. During the year current year the entire assets acquired under finance lease has been reclassified to right-of-use of assets and corresponding liabilities have been reclassified to lease liabilities. (Refer note 17). The gross and net carrying amounts of furniture and fixture acquired under finance leases and included in above as follows:

Particulars	Plant and machinery	Office equipment	Furniture and fixtures	Computers	Total
Cost					
Balance as at 1 April 2018	-	-	0.23	-	0.23
Assets acquired on finance lease during the year	4.60	0.60	-	0.92	6.12
Cost as at 31 March 2019 (included above)	4.60	0.60	0.23	0.92	6.35
Finance lease reclassified	(4.60)	(0.60)	-	(0.92)	(6.12)
Cost as at 31 March 2020 (included above)	**-**	**-**	**0.23**	**-**	**0.23**
Accumulated depreciation					
Balance as at 1 April 2018	-	-	(0.02)	-	(0.02)
Depreciation	(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)**
Finance lease reclassified	0.35	0.09	-	0.07	0.51
Accumulated depreciation as at 31 March 2020	-	-	(0.06)	-	(0.06)
Carrying amount (net)					
As at 31 March 2019	4.25	0.51	0.17	0.85	5.78
As at 31 March 2020	**-**	**-**	**0.17**	**-**	**0.17**

Further, additions also does not include an amount of Nil (31 March 2019: INR 0.66) crores in respect of certain property, plant and equipment that were acquired by the Group and given on finance lease.

Notes forming part of the Consolidated financial statements

for the year ended 31 March 2020 (Contd.)

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

NOTE 16 INTANGIBLE ASSETS

A. Reconciliation of carrying amount

Particulars	Software	Customer contracts	Customer Relationship	Total	Goodwill
Deemed cost / Cost (Gross carrying amount)					
Balance as at 1 April 2018	0.29	5.00	-	5.29	-
Additions	5.36	-	-	5.36	-
Acquisitions through business combination ^ ^	-	-	15.01	15.01	19.34
Disposals	-			-	
Balance as at 31 March 2019	5.65	5.00	15.01	25.66	19.34
Additions	0.21	-	-	0.21	-
Disposals	-	-	-	-	-
Balance as at 31 March 2020	5.86	5.00	15.01	25.87	19.34
Accumulated amortisation					
Balance as at 1 April 2018	0.13	1.23	-	1.36	-
Additions	0.49	1.00	-	1.49	-
Disposals	-	-	-	-	-
Balance as at 31 March 2019	0.62	2.23	-	2.85	-
Additions	1.10	1.56	2.01	4.67	-
Impairment loss (refer note below)	-	-	-	-	3.60
Disposals	-	-	-	-	-
Balance as at 31 March 2020	1.72	3.79	2.01	7.52	3.60
Carrying amount (net)					
As at 31 March 2019	5.03	2.77	15.01	22.81	19.34
As at 31 March 2020	4.14	1.21	13.00	18.35	15.74

B. Impairment

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:

	Year ended 31 March 2020	Year ended 31 March 2019
Auroma Logistics Private Limited ('ALPL')	15.74	19.34
	15.74	19.34

Auroma Logistics Private Limited ('ALPL')

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 INR 3.60 crores (31 March 2019: Nil) of impairment loss has been recognised.

Notes forming part of the Consolidated financial statements

for the year ended 31 March 2020

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

NOTE 16 INTANGIBLE ASSETS (CONTD.)

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.

	Year ended 31 March 2020	Year ended 31 March 2019
Revenue growth rate range over the forecast period	-6.9% to 20%	10% to 17%
Terminal growth rate	5%	5%
EBITDA range over the forecast period	9.11% to 10.20%	8.4% to 13.4%
Risk-adjusted discount rates	18.00%	21.00%

The Group has considered it appropriate to undertake the impairment assessment with reference to the latest business plan which includes a five year cash flow forecast. The growth rates used in the VIU calculation reflect those inherent within ALPL's business plan, which in primarily a function of the ALPL future assumptions, past performance and management's expectation of future market development through to FY 2024-25. The future cash flows consider potential risks given the current economic environment and key assumptions, such as revenue growth rate and EBITDA. The Group has assessed potential impact, if any, in context of COVID-19 pandemic and its impact on business as well while developing the business plan. Due to changes in business environment on account of COVID-19 pandemic, the Group has recognized an impairment loss on goodwill of INR 3.60 crores. Impairment charge towards goodwill and has been disclosed as an exceptional item in the above consolidated financial statements.

The cash flow for the FY 2024-25 are extrapolated into perpetuity assuming a growth rate as stated above which is set with reference to weighted-average GDP growth of the country and industry in which the subsidiaries operate.

The entire impairment losses in the consolidated financial statements of the Group has been adjusted against the goodwill as mentioned above.

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 change in the following assumptions used in the impairment review would, in isolation, lead to an increase to aggregate impairment loss recognized as at 31 March 2020 (although it should be noted that these sensitivities do not take account of potential mitigating actions):

	As at 31 March 2020	As at 31 March 2019
Decrease in EBITDA by 1% over the forecast period	3.99	3.58
Decrease in terminal rate by 1%	1.77	0.36
Increase in discount rate by 1%	2.31	1.15

Notes forming part of the Consolidated financial statements

for the year ended 31 March 2020 (Contd.)

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

NOTE 17 LEASES

Leases as lessee (Ind AS 116)

The leased assets of the Group includes warehouse buildings, plant and machinery, furniture and fixtures and computers taken on lease for providing warehousing and other 3PL services to the customers. The leases typically run for a period of 1 to 5 years, with an option to renew certain leases after that date. Previously, these leases were classified as operating leases under Ind AS 17. On transition to Ind AS 116, the Group recognized right-of-use of assets at its carrying amount as if the standard has been applied since the commencement of the lease. The summary of the movement of right-of-use assets for the year is given below:

Information about leases for which the Group is a leasee is presented below

i. Right-of-use assets

	As at 31 March 2020	As at 31 March 2019
Balance as at 1 April	79.46	-
Additions to right-of-use assets	15.44	-
Less: Depreciation charge for the year	(29.93)	-
Less: Terminated Contracts	(33.89)	-
Balance as at 31 March	**31.08**	**-**

On transition to Ind AS 116, the Group recognized lease liabilities measured at the present value of remaining lease payments. The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date.

	As at 31 March 2020	As at 31 March 2019
Lease liabilities under Ind AS 116		
Less than one year	14.61	-
One to five years	23.27	-
More than 5 years	-	-
Total lease liabilities as at 31 March	**37.88**	**-**

Amounts recognised in consolidated Statement of Profit and loss

	Leases under Ind AS 116	Leases under Ind AS 17
	Year ended 31 March 2020	Year ended 31 March 2019
Interest on lease liabilities (refer note 11)	4.02	0.68
Expenses relating to leases of low value assets excluding assets of short term leases	-	-
Depreciation of right-of-use assets (refer note 12)	29.93	-
Expenses relating to short-term leases (refer note 13)	27.15	61.19
	61.10	**61.87**

Amounts recognised in Consolidated Cashflow statement

	Year ended 31 March 2020	Year ended 31 March 2019
Total cash outflow for leases liabilities under Ind AS 116	(36.33)	-

Finance lease

The Group has leases that were classified as finance leases applying Ind AS 17. For such leases, the carrying amount of the right-of-use asset and the lease liability at the date of initial application of Ind AS 116 is the carrying amount of the lease asset and lease liability on the transition date as measured applying Ind AS 17. Accordingly, an amount of INR 6.12 crores has been reclassified from property, plant and equipment to right-of-use assets. An amount of INR 1.66 crores has been reclassified from current borrowings to lease liability – current and an amount of INR 8.60 crores has been reclassified from borrowings – non current to lease liability – non-current.

Notes forming part of the Consolidated financial statements

for the year ended 31 March 2020

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

Impact of COVID-19 (Pandemic)

The Group does not foresee any large-scale contraction in business which could result in significant down-sizing of its leased assets making its infrastructure redundant. The leases that the Group has entered with lessors towards properties used as warehouses are medium to long term in nature and no changes in terms of those leases are expected due to the COVID-19

NOTE 18 INVENTORIES

	As at 31 March 2020	As at 31 March 2019
Spares*	-	-
	-	-

* Inventory of spares as at 31 March 2020 of INR 9,645 (31 March 2019: INR 12,465) has been rounded off in crores to Nil.

NOTE 19 TRADE RECEIVABLES

	As at 31 March 2020	As at 31 March 2019
Unsecured, considered good	96.11	122.70
Doubtful	11.93	0.66
Less : Loss allowance	(11.93)	(0.66)
	96.11	**122.70**
Current	96.11	122.70
	96.11	**122.70**

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

	As at 31 March 2020	As at 31 March 2019
Total trade receivables from related parties (refer note 37)	10.47	9.34
Less: Loss allowance	-	-
Net trade receivables	**10.47**	**9.34**

NOTE 20 CASH AND CASH EQUIVALENTS

	As at 31 March 2020	As at 31 March 2019
Cash in hand	0.23	0.34
Balance with banks:		
- in current accounts	2.19	4.39
Cash and cash equivalents in balance sheet	**2.42**	**4.73**
Less: Bank overdrafts and cash credit facilities used for cash management purposes	(51.77)	(45.75)
Cash and cash equivalents in the statements of cash flows	**(49.35)**	**(41.02)**

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 2020

Notes forming part of the Consolidated financial statements

for the year ended 31 March 2020 (Contd.)

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

NOTE 21 OTHER BANK BALANCES

	As at 31 March 2020	As at 31 March 2019
Fixed deposits with original maturity of more than three months	22.57	4.26
	22.57	**4.26**

Other bank balances includes INR 0.56 crores (31 March 2019: INR 0.56 crores) of fixed deposit is pledged against the Overdraft facility availed from SBI.

NOTE 22 DEPOSITS AND OTHER RECEIVABLES

	As at 31 March 2020	As at 31 March 2019
Non-current		
Security deposit	11.55	15.52
	11.55	**15.52**
Current		
Security deposit	5.46	5.85
	5.46	**5.85**

NOTE 23 LOANS

	As at 31 March 2020	As at 31 March 2019
Secured, considered good		
Loan to body corporates*	2.00	12.00
Less: Loss allowance	-	-
	2.00	**12.00**
Secured, considered doubtful		
Loan to body corporates*	10.00	-
Less: Loss allowance	(10.00)	-
	-	-
	2.00	**12.00**
Non-current	-	-
Current	2.00	12.00
	2.00	**12.00**

* The Group 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 89% equity shares of RAPAL and INR 2 crores is secured by a parcel of land.

Notes forming part of the Consolidated financial statements

for the year ended 31 March 2020

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

NOTE 24 OTHER FINANCIAL ASSETS

	As at 31 March 2020	As at 31 March 2019
Non-current		
Long term finance lease receivable (refer note (b) below)	3.76	4.59
	3.76	**4.59**
Current		
Unbilled revenue	11.78	1.61
Current maturities of finance lease receivable (refer note (b) below)	0.83	0.85
Interest accrued	2.04	0.81
Less: Provision for interest receivable (refer note 13(c))	(1.89)	-
Others (refer note (a) below)	2.76	3.36
	15.52	**6.63**

a Others includes INR 0.40 crores (31 March 2019: Nil) extended as housing loan to managing director of the Company. Such loan carries interest of 9% p.a.

b Finance lease receivable

The Group'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. TheGroup 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:

Particulars	As at 31 March 2020	As at 31 March 2019
Gross investment	6.43	7.88
Unearned finance income	(1.84)	(2.44)
Net investment	**4.59**	**5.44**

Finance leases are receivable as follows:

Gross investment	As at 31 March 2020	As at 31 March 2019
Within less than one year	1.38	1.46
Between One and five years	4.31	4.60
After more than five years	0.74	1.82
	6.43	**7.88**

Present value of minimum lease payments	As at 31 March 2020	As at 31 March 2019
Within less than one year	0.83	0.85
Between One and five years	3.06	2.97
After more than five years	0.70	1.62
	4.59	**5.44**

Notes forming part of the Consolidated financial statements

for the year ended 31 March 2020 (Contd.)

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

NOTE 25 OTHER ASSETS

	As at 31 March 2020	As at 31 March 2019
Non-current		
Capital advances	0.25	0.13
Prepayments	1.76	3.01
Receivable from government authorities	2.94	2.03
	4.95	**5.17**
Current		
Prepayments	2.34	2.25
Balances with Statutory authorities	2.85	2.41
Others	30.89	58.92
Less: Provision for trade advances	(20.69)	-
	15.39	**63.58**

NOTE 26A SHARE CAPITAL

	As at 31 March 2020	As at 31 March 2019
Authorised		
15,000,000 (31 March 2019: 15,000,000) equity shares of ₹ 10 each	15.00	15.00
Issued, Subscribed and Paid-up		
9,081,465 (31 March 2019: 9,081,465) equity shares of ₹ 10 each fully paid up	9.08	9.08

Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Particulars	As at 31 March 2020		As at 31 March 2019	
	No. of shares	Amount	No. of shares	Amount
Equity shares				
At the commencement of the year	9,081,465	9.08	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**	**9,081,465**	**9.08**

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 2020		As at 31 March 2019	
	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	9,081,465	9.08

Notes forming part of the Consolidated financial statements

for the year ended 31 March 2020

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

NOTE 26B OTHER EQUITY

a. Securities premium

	As at 31 March 2020	As at 31 March 2019
At the commencement of the year	35.47	12.31
Share issued for cash	-	23.16
At the end of the year	**35.47**	**35.47**

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 2020	As at 31 March 2019
At the commencement of the year	3.31	0.67
Stock Compensation Cost (Refer Note 10)	1.70	2.64
At the end of the year	**5.01**	**3.31**

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 during the year:

	As at 31 March 2020	As at 31 March 2019
INR Nil per equity share (31 March 2019: INR. 6)	-	4.36
Dividend distribution tax (DDT) on dividend to equity shareholders	-	0.88
	-	**5.24**

d. Analysis of accumulated OCI, net of tax

A. Other items of OCI

	As at 31 March 2020	As at 31 March 2019
Remeasurements of defined benefit liability (asset)	(1.57)	(1.17)
	(1.57)	**(1.17)**

Remeasurements of defined benefit liability (asset)

	As at 31 March 2020	As at 31 March 2019
Opening balance	(1.17)	(0.74)
Remeasurements of defined benefit liability (asset)	(0.40)	(0.43)
Closing balance	**(1.57)**	**(1.17)**

Remeasurements of defined benefit liability (asset)

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

Notes forming part of the Consolidated financial statements

for the year ended 31 March 2020 (Contd.)

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

NOTE 26C CAPITAL MANAGEMENT

The Group manages its capital to ensure that the Group will be able to continue as a going 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 between 1.00 and 3.00 for various companies within the Group. The Group's adjusted net debt to equity ratio at the end of the year is as follows:

	As at 31 March 2020	As at 31 March 2019
Total borrowings - short term and long term	156.36	102.96
Less: Cash and cash equivalents and other bank balances	(24.99)	(8.99)
Net Debt (A)	**131.37**	**93.97**
Total Equity (B)	**57.85**	**121.91**
Adjusted net debt to adjusted equity ratio	**2.27**	**0.77**

NOTE 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 2020	Year ended 31 March 2019
(Loss)/Profit for the year before exceptional items, attributable to the equity holders	(53.07)	29.54
(Loss)/Profit for the year after exceptional items, attributable to the equity holders	(57.07)	29.54

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

	Year ended 31 March 2020	Year ended 31 March 2019
Opening balance	9,081,465	7,243,230
Effect of fresh issue of shares for cash	-	130,943
Weighted average number of equity outstanding during the year	**9,081,465**	**7,374,173**

NOTE 28 BORROWINGS

	As at 31 March 2020	As at 31 March 2019
Non current borrowings		
Long term maturities of finance lease obligations (secured)	-	8.60
Terms loans from banks (secured)	-	15.00
	-	**23.60**
Current borrowings		
Loans from banks		
Cash credit facilities (secured)	51.73	45.36
Overdraft facilities (secured)	0.04	0.39
Working capital demand loan (secured)	37.70	31.95
Terms loans from banks (secured)	29.01	-
Current portion of finance lease obligations (secured)	-	1.66
	118.48	**79.36**

Notes forming part of the Consolidated financial statements

for the year ended 31 March 2020

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

NOTE 28 BORROWINGS (CONTD.)

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

The Company could not meet a few of the loan covenants associated with term loans availed from HDFC Bank and IDFC Bank. The Company is in the process of obtaining the waiver from respective bank's. The management believes that the risk of covenant being breached in future is low. Since these covenants are breached as at 31 March 2020 these terms loans are classified as current borrowings.

Terms and repayment schedule

Terms and conditions of outstanding borrowings are as follows:

	Currency	Nominal interest rate	Year of maturity	Carrying amount as at 31 March 2020	"Carrying amount as at 31 March 2019"
Cash credit from banks	INR	9.5% - 10%	2019-20	51.73	45.36
Term loans	INR	8.7% - 11.13%	2019-20	19.45	15.00
Term loans	USD	6.90%	2019-20	9.56	-
Overdraft facilities from banks	INR	7.70%	2019-20	0.04	0.39
Working capital demand loan	INR	8.95% - 10.4%	2019-20	37.70	31.95
Finance lease obligations (secured)	INR	10.25%	2022-23	-	10.26
				118.48	**102.96**

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 from HDFC is secured by moveable fixed assets with a security cover of not less than 1.00 times of outstanding term loan. Term loan from IDFC bank is secured by first pari passu charge over book debts both present and future, exclusive charge on the security deposits of the company both present and future.

Details of borrowings availed and repaid

Particulars	Cash credit and overdraft from banks	Working capital demand loan including related party loans	Term loans	Finance lease obligations	Total
Balance at the 1 April 2018					
- Borrowings	**24.14**	**16.00**	**-**	**4.89**	**45.03**
- Other financial liabilities	**-**	**-**	**-**	**-**	**-**
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 2020 (Contd.)

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

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 31 March 2019					
-Borrowings	**45.75**	**31.95**	**15.00**	**10.26**	**102.96**
-Other financial liabilities	**-**	**-**	**-**	**-**	**-**
Balance at the 1 April 2019					
- Borrowings	**45.75**	**31.95**	**15.00**	**10.26**	**102.96**
- Other financial liabilities	**-**	**-**	**-**	**-**	**-**
Changes from financing cash flows					
Loans availed during the year	-	146.50	15.52	-	**162.02**
Loans repaid during the year	-	(140.75)	(1.51)	(36.33)	**(178.59)**
Interest expense	5.63	3.25	2.06	4.03	**14.97**
Interest paid	(5.63)	(3.25)	(2.06)	-	**(10.94)**
Total changes from financing cash flows	**-**	**5.75**	**14.01**	**(32.30)**	**(12.54)**
Other changes					
Liability-related					
Change in bank overdraft	(0.35)	-	-	-	**(0.35)**
Change in cash credits	6.37	-	-	-	**6.37**
On account transition to Ind AS 116	-	-	-	78.37	**78.37**
Due to terminated contracts	-	-	-	(33.89)	**(33.89)**
New finance leases	-	-	-	15.44	**15.44**
Total liability-related other changes	**6.02**	**-**	**-**	**59.92**	**65.94**
Balance at the 31 March 2020					
-Borrowings	**51.77**	**37.70**	**29.01**	**-**	**118.48**
-Lease liability	**-**	**-**	**-**	**37.88**	**37.88**

NOTE 29 TRADE PAYABLES

a. Securities premium

	As at 31 March 2020	As at 31 March 2019
Trade payables to related parties	1.52	0.49
Other trade payables	43.54	45.90
	45.06	**46.39**

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 38 on Micro small and medium enterprise.

Notes forming part of the Consolidated financial statements

for the year ended 31 March 2020

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

NOTE 30 OTHER FINANCIAL LIABILITIES

	As at 31 March 2020	As at 31 March 2019
Advance from customers	0.01	0.01
Deposit from customers	0.32	0.51
Liability on account of share purchase agreement ^ ^	-	6.36
Contingent consideration*	-	7.16
Capital creditors	0.66	1.08
Other payables	1.37	0.93
	2.36	**16.05**
Non current	0.33	6.86
Current	2.03	9.19
	2.36	**16.05**

The Group's exposure to currency and liquidity risk related to above financial liabilities is disclosed in note 34.

*Payable towards acquisition of shares in Auroma Logistics Private Limited - During the year the Company has settled contingent consideration by cash to erstwhile shareholders of 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. The Company has settled its obligation towards such purchase for a consideration of INR 2.50 crores in the current year. This resulting in gain of INR 3.84 crores. Also refer note 7.

NOTE 31 OTHER CURRENT LIABILITIES

	As at 31 March 2020	As at 31 March 2019
Dues to employees	4.06	3.09
Statutory dues	2.52	6.30
	6.58	**9.39**
Non current	-	-
Current	6.58	9.39
	6.58	**9.39**

NOTE 32 PROVISIONS

	Non current		Current	
	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019
Provision for employee benefits				
Liability for gratuity	4.46	3.47	0.53	0.37
Liability for compensated absences	1.46	1.04	0.16	0.12
	5.92	**4.51**	**0.69**	**0.49**

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

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

The Group 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".

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for the year ended 31 March 2020 (Contd.)

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

NOTE 32 PROVISIONS (CONTD.)

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

A. Funding

The gratuity plan of the Group is an unfunded plan.

B. Reconciliation of the net defined benefit (asset)/ liability

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

Reconciliation of present value of defined benefit obligation

	As at 31 March 2020	As at 31 March 2019
Balance at the beginning of the year	3.84	2.44
Add: Acquisitions through business combination	-	0.21
Add: On account of transfer of employees	0.15	-
Current service cost	0.53	0.47
Interest cost	0.27	0.16
Benefits paid	(0.34)	(0.05)
Actuarial (gains) losses recognised in other comprehensive income		
- changes in demographic assumptions	-	-
- changes in financial assumptions	0.30	0.48
- experience adjustments	0.24	0.13
Balance at the end of the year	**4.99**	**3.84**

C. Expense/ (income) recognised in the consolidated statement of profit or loss

	Year ended 31 March 2020	Year ended 31 March 2019
Current service cost	0.53	0.47
Interest cost	0.27	0.16
	0.80	**0.63**

D. Remeasurements recognised in other comprehensive income

	Year ended 31 March 2020	Year ended 31 March 2019
Actuarial loss on defined benefit obligations	0.54	0.61
	0.54	**0.61**

E. Defined benefit obligation

i. Actuarial assumptions

Principal actuarial assumptions at the reporting date:

	As at 31 March 2020	As at 31 March 2019
Discount rate	6.5% to 7.00%	7.5% to 7.75%
Future salary growth	5% to 10%	5% to 10%
Attrition rate	5% to 12.5%	5% to 12.5%

Notes forming part of the Consolidated financial statements

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

NOTE 32 PROVISIONS (CONTD.)

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 2020		As at 31 March 2019	
	Increase in %	Decrease in %	Increase in %	Decrease in %
Discount rate (1% movement)	(0.33)	0.35	(0.22)	0.24
Future salary growth (1% movement)	0.33	(0.30)	0.24	(0.22)
Attrition rate (1% movement)	(0.06)	0.07	(0.04)	0.04

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

NOTE 33A. NON-CONTROLLING INTERESTS

	As at 31 March 2020	As at 31 March 2019
Rajprotim Supply Chains Solutions Limited	-	3.78
Auroma Logistics Private Limited	-	3.49
	-	**7.27**

NOTE 33B. PROFIT ATTRIBUTABLE TO NON-CONTROLLING INTERESTS

	Year ended 31 March 2020	Year ended 31 March 2019
Rajprotim Supply Chains Solutions Limited	(1.86)	1.05
Auroma Logistics Private Limited	0.36	0.11
	(1.50)	**1.16**

The following table summarises the information regarding the Group's subsidiary that has material NCI, before any intra-group eliminations:

Particulars	As at 31 March 2020			As at 31 March 2019		
	Rajprotim Supply Chains Solutions Limited	Auroma Logistics Private Limited	Total	Rajprotim Supply Chains Solutions Limited	Auroma Logistics Private Limited	Total
NCI percentage	0%	0%		12%	10%	
Non-current assets	10.70	23.40	34.10	8.84	20.63	29.47
Current assets	24.86	29.45	54.31	75.44	26.76	102.20
Non-current liabilities	(1.97)	(3.99)	(5.96)	(0.09)	(0.21)	(0.30)
Current liabilities	(53.74)	(12.53)	(66.27)	(52.67)	(12.30)	(64.97)
Net assets	**(20.15)**	**36.33**	**16.18**	**31.52**	**34.88**	**66.40**
Net assets attributable to NCI	**-**	**-**	**-**	**3.78**	**3.49**	**7.27**
Revenue	73.51	82.21	155.72	116.27	14.65	130.92
Profit	(51.03)	3.78	(47.25)	5.37	1.09	6.46
OCI	(0.01)	(0.09)	(0.10)	0.01	-	0.01

Notes forming part of the Consolidated financial statements

for the year ended 31 March 2020 (Contd.)

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

NOTE 33B. PROFIT ATTRIBUTABLE TO NON-CONTROLLING INTERESTS (CONTD.)

Particulars	As at 31 March 2020			As at 31 March 2019		
	Rajprotim Supply Chains Solutions Limited	Auroma Logistics Private Limited	Total	Rajprotim Supply Chains Solutions Limited	Auroma Logistics Private Limited	Total
Total comprehensive income	**(51.05)**	**3.69**	**(47.36)**	**5.38**	**1.09**	**6.47**
Profit allocated to NCI	(1.86)	0.36	(1.50)	1.05	0.11	1.16
OCI allocated to NCI	-	-	-	-	-	-
Total comprehensive income allocated to NCI	**(1.86)**	**0.36**	**(1.50)**	**1.05**	**0.11**	**1.16**
Cash flows used in operating activities	10.82	4.65	15.47	(16.37)	(0.61)	(16.98)
Cash flows used in investing activities	(0.14)	(0.62)	(0.76)	(1.22)	(0.06)	(1.28)
Cash flows used in financing activities	(5.52)	(7.01)	(12.53)	6.88	-	6.88
Net cash increase / (decrease) in cash and cash equivalents	**5.16**	**(2.98)**	**2.18**	**(10.71)**	**(0.67)**	**(11.38)**

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 2020

Particulars	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	72.00%	41.67	19.00%	(10.92)	74.00%	(0.30)	(11.21)
Subsidiaries:							
Rajprotim Supply Chain Solutions Limited	-35.00%	(20.15)	88.00%	(51.03)	3.00%	(0.01)	(51.05)
Auroma Logistics Private Limited	63.00%	36.33	-6.00%	3.78	23.00%	(0.09)	3.69
As at 31 March 2020	**100.00%**	**57.85**	**101.00%**	**(58.17)**	**100.00%**	**(0.40)**	**(58.57)**

Notes forming part of the Consolidated financial statements

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

As at 31 March 2019

Particulars	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	79.00%	24.24	102.00%	(0.44)	23.80
Subsidiaries:							
Rajprotim Supply Chain Solutions Limited	24.40%	31.52	17.00%	5.37	-2.00%	0.01	5.38
Auroma Logistics Private Limited	27.00%	34.88	4.00%	1.09	0.00%	-	1.09
As at 31 March 2019	**100.00%**	**129.18**	**100.00%**	**30.70**	**100.00%**	**(0.43)**	**30.27**

NOTE 34 FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT

A. Accounting classification and fair values

	Note	As at 31 March 2020				As at 31 March 2019			
		FVTPL	FVOCI	Amortised cost	At cost	FVTPL	FVOCI	Amortised cost	At cost
Financial assets not measured at fair value									
Trade receivables	19	-	-	96.11	-	-	-	122.70	-
Cash and cash equivalents	20	-	-	2.42	-	-	-	4.73	-
Other bank balances	21	-	-	22.57	-	-	-	4.26	-
Loans	23	-	-	2.00	-	-	-	12.00	-
Deposits and other receivables	22	-	-	17.01	-	-	-	21.37	-
Other financial assets	24	-	-	19.28	-	-	-	11.22	-
Total financial assets		**-**	**-**	**159.39**	**-**	**-**	**-**	**176.28**	**-**
Financial liabilities not measured at fair value									
Trade payables	29	-	-	45.06	-	-	-	46.39	-
Lease liabilities	17	-	-	37.88	-	-	-	-	-
Borrowings	28	-	-	118.48	-	-	-	102.96	-
Other financial liabilities	30	-	-	2.36	-	-	-	16.05	-
Total financial liabilities		**-**	**-**	**203.78**		**-**	**-**	**165.40**	**-**

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.

Notes forming part of the Consolidated financial statements

for the year ended 31 March 2020 (Contd.)

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

NOTE 34 FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT (CONTD.)

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 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 34A), because their carrying amounts are a reasonable approximation of fair value.

	As at 31 March 2020			As at 31 March 2019		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets not measured at fair value						
Security deposits	-	17.01	-	-	21.37	-
	-	**17.01**	**-**	**-**	**21.37**	**-**

C. Financial risk management

The Group's 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.

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NOTE 34 FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT (CONTD.)

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

	Carrying amount	
	As at 31 March 2020	**As at 31 March 2019**
Trade receivables	96.11	122.70
Cash and bank balances	2.42	4.73
Other bank balances	22.57	4.26
Loans	2.00	12.00
Deposits and other receivables	17.01	21.37
Other financial assets	19.28	11.22
Total	**159.39**	**176.28**

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 by more than 30 days are still collectible in full except to the extent already provided, based on historical payment behaviour 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 2020	**As at 31 March 2019**
Customer A	11.80	10.05
Customer B	10.47	9.34
	22.27	**19.39**

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

As at 31 March 2020

	Gross carrying amount	Weighted-average loss rate	Loss allowance	Whether credit -impaired
Not due	41.79	0.00%	-	No
Past due 1-90 days	32.01	0.47%	(0.15)	No
Past due 90-180 days	15.70	3.57%	(0.56)	No
Past due 181-270 days	5.26	20.15%	(1.06)	No
Past due 271-365 days	1.94	21.13%	(0.41)	No
Past due for more than 365 days	11.34	85.98%	(9.75)	No
Total	**108.04**	**-**	**(11.93)**	**-**

Notes forming part of the Consolidated financial statements

for the year ended 31 March 2020 (Contd.)

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

NOTE 34 FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT (CONTD.)

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)**	**-**

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 2020	As at 31 March 2019
Balances at 1 April	0.66	0.18
Provision for the year	11.27	0.48
Balance at 31 March	**11.93**	**0.66**

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 25.07 crores at 31 March 2020 (31 March 2019: INR 8.99 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:

	Contractual cash flows						
	Carrying amount	Gross	6 months or less	6-12 months	1-2 years	2-5 years	More than 5 years
31 March 2020							
Non derivative financial liabilities							
Loans from banks	118.48	118.48	118.48	-	-	-	-
Lease liabilities	37.88	43.36	9.52	7.76	13.10	12.98	-
Trade payables	45.06	45.06	45.06	-	-	-	-
Other financial liabilities	2.36	2.36	2.03	-	0.33	-	-
	203.78	**209.26**	**175.09**	**7.76**	**13.43**	**12.98**	**-**

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

NOTE 34 FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT (CONTD.)

	Contractual cash flows						
	Carrying amount	**Gross**	**6 months or less**	**6-12 months**	**1-2 years**	**2-5 years**	**More than 5 years**
31 March 2019							
Non derivative financial liabilities							
Loan from banks	92.70	95.55	78.40	0.70	8.57	7.88	-
Lease liabilities	10.26	12.80	1.28	1.28	2.56	7.68	-
Trade payables	46.39	46.39	46.39	-	-	-	-
Other financial liabilities	16.05	19.38	3.95	5.58	0.50	9.35	-
	165.40	**174.12**	**130.02**	**7.56**	**11.63**	**24.91**	**-**

Impact of COVID-19 (Pandemic):

Financial instruments carried at fair value as at 31 March 2020 is INR Nil (31 March 2019: Nil) and financial instruments carried at amortised cost as at 31 March 2020 is INR 159.39 crores (31 March 2019: 176.28 crores)

Financial assets of INR 159.44 crores as at 31 March 2020 carried at amortised cost is in the form of cash and cash equivalents, bank deposits trade receivables, loans given to body corporates, deposits and other receivables and other financial assets where the Group has assessed the counterparty credit risk. Trade receivables of INR 96.11 crores as at 31 March 2020 forms a significant part of the financial assets carried at amortised cost, which is valued considering provision for allowance using expected credit loss method. In addition to the historical pattern of credit loss, we have considered the likelihood of increased credit risk and consequential default considering emerging situations due to COVID-19. This assessment is not just based on any mathematical model but an assessment considering the nature of business and the financial strength of the customers in respect of whom amounts are receivable. The Group closely monitors its customers who are going through financial stress and assesses actions such as change in the credit terms and following up for collection etc., depending on severity of each case. The same assessment is done in respect of unbilled receivables INR 11.78 crores as at 31 March 2020 while arriving at the level of provision that is required. Basis this assessment, the allowance for doubtful trade receivables of INR 11.93 crores as at 31 March 2020 is considered adequate.

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.

The following table analyses foreign currency risk from financial instruments:

	As at 31 March 2020		As at 31 March 2019	
	INR	**USD**	**INR**	**USD**
Financial assets:				
Trade receivables	92.04	4.07	113.58	9.12
Loans	2.00	-	12.00	-
Cash and cash equivalents	2.42	-	4.73	-
Other bank balances	22.57	-	4.26	-
Deposits and other receivables	17.01	-	21.37	-
Other financial assets	18.13	1.15	10.03	1.19
Financial liabilities:				
Borrowings	(108.97)	(9.51)	(102.96)	-
Lease liabilities	(37.88)	-	-	-
Trade payables	(45.06)	-	(46.39)	-
Other financial liabilities	(2.36)	-	(16.05)	-
Net assets / (liabilities)	**(40.10)**	**(4.29)**	**0.57**	**10.31**

Notes forming part of the Consolidated financial statements

for the year ended 31 March 2020 (Contd.)

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

NOTE 34 FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT (CONTD.)

Sensitivity analysis

A reasonably possible strengthening (weakening) of INR against US dollar at 31 March 2020 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 2020				
USD (1% movement)	(0.43)	0.43	-	-
31 March 2019				
USD (1% movement)	0.10	(0.10)	-	-

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:

Fixed-rate instruments

	31 March 2020	31 March 2019
Fixed rate instruments		
Financial assets - Other bank balances	22.57	4.26
Financial assets - Loans	2.00	12.00
Financial assets - Finance lease receivable	4.59	5.44
Financial liabilities- Term loans	(29.01)	(15.00)
Financial liabilities- Working capital loan	(32.50)	(31.95)
Financial liabilities- Finance lease obligation	(37.88)	(10.26)
	(70.23)	**(35.51)**
Variable-rate instruments		
Financial liabilities- Secured loan	(51.77)	(45.75)
	(51.77)	**(45.75)**

Cash flow sensitivity analysis for variable rate instruments

A reasonable possible change of 100 basic 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	
	100 bp increase	100 bp decrease
31 March 2020		
Variable-rate instrument	(0.52)	0.52
Cash flow sensitivity (net)	**(0.52)**	**0.52**
31 March 2019		
Variable-rate instrument	(0.46)	0.46
Cash flow sensitivity (net)	**(0.46)**	**0.46**

Notes forming part of the Consolidated financial statements

for the year ended 31 March 2020

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

NOTE 35 OPERATING LEASES

A. 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.

i. Amounts recognised in profit or loss

	Year ended 31 March 2020	Year ended 31 March 2019
Lease expense	27.11	61.19

NOTE 36 CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

	As at March 31 2020	As at March 31 2019
Estimated amount of contracts remaining to be executed on capital account and not provided	0.10	0.29
Contingent liabilities:		
Bank guarantees issued	9.61	7.00

NOTE 37 RELATED PARTIES

A. (i) Names of related parties and description of relationship

Nature of Relationship	Name of the Party
Holding company	Redington (India) Limited (RIL)
Fellow Subsidiary	Ensure Support Services (India) Limited (ESS)
Holding company's trust	Foundation for CSR @ Redington
Key Management Personnel	Mr. E.H. Kasturi Rangan (Managing Director)
	Dr. R. Arunachalam, Chief Executive Officer (CEO)
	Mr. N R Venkatesan, Chief Finance Officer (CFO) (from 20 March 2020)
	Mr. Kasi Viswanathan P.S, Chief Finance Officer (CFO) (till 21 February 2020)

A. (ii) List of subsidiaries

Name of direct subsidiaries of the Company	Country of incorporation	Ownership interest	
		As at 31 March 2020	As at 31 March 2019
Rajprotim Supply Chain Solutions Limited	India	100%	88%
Auroma Logistics Private Limited	India	100%	90%

B. Transaction with key management personnel

i. Loan to Director

The Group as a apart of scheme approved, by members at extra ordinary meeting, granted an unsecured housing loan to its managing director amounting to INR 0.40 crores (31 March 2019: Nil). The interest rate is fixed at 9% p.a.

	Purpose	Year ended 31 March 2020	Year ended 31 March 2019
As at the beginning of the financial year		-	-
Given during the financial year	Housing loan	0.40	-
Repaid during the financial year		-	-
As at the end of the financial year		**0.40**	**-**
Interest		-	-

Notes forming part of the Consolidated financial statements

for the year ended 31 March 2020 (Contd.)

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

NOTE 37 RELATED PARTIES (CONTD.)

ii. 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:

	Managing Director	CEO	CFO	Total
For the year ended 31 March 2020				
Short term employee benefits	0.79	0.64	0.47	1.90
Post-employment defined benefits	-	*	*	*
Compensated absences	-	*	*	*
Stock Compensation expense	0.17	0.12	-	0.29
Sitting fees	0.10	-	-	0.10
Total	**1.06**	**0.76**	**0.47**	**2.29**

	Managing 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**

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 2020	Year ended 31 March 2019	As at 31 March 2020	As at 31 March 2019
Sale of goods and services				
RIL	56.50	65.39	10.47	9.34
Rental Expenses				
RIL	4.33	3.18	1.52	0.49
ESS	-	0.28		-
Service charges				
RIL	0.28	0.22	-	-
ESS	0.03	0.07	0.01	-
Interest expense				
RIL	-	0.04		-
Proceeds from issue of equity shares				
RIL	-	25.00	-	-

Notes forming part of the Consolidated financial statements

for the year ended 31 March 2020

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

NOTE 37 RELATED PARTIES (CONTD.)

	Transaction value		Balance outstanding	
	Year ended 31 March 2020	Year ended 31 March 2019	As at 31 March 2020	As at 31 March 2019
Loan taken				
RIL	-	5.00	-	-
Loan repaid				
RIL	-	5.00	-	-
Dividend paid				
RIL	-	4.35	-	-

NOTE 38 DUE TO MICRO, SMALL AND MEDIUM ENTERPRISES

Under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) which came into force from October 2, 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, the Company's suppliers are covered under the MSMED and accordingly, disclosure of information relating to principal, interest accruals and payments are given below:

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
(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;	0.08	-
(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.	-	-

Notes forming part of the Consolidated financial statements

for the year ended 31 March 2020 (Contd.)

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

NOTE 39 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 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	As at March 31 2020	As at March 31 2019
Fair value at grant date (weighted-average) (INR) *	71.99 per SAR	71.99 per SAR
Share price at grant date (INR) *	174.60 per share	174.60 per share
Base price / Exercise price (INR) *	148.50 per SAR	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 2020	31 March 2019
Outstanding as at 1 April 2019	1,104,000	1,104,000
Add: Granted during the year	-	-
Less: Exercise during the year	-	-
Less: Forfeited during the year	(99,250)	-
Outstanding as at 31 March 2020	1,004,750	1,104,000
SARs exercisable at the end of the year	Nil	Nil

Notes forming part of the Consolidated financial statements

for the year ended 31 March 2020

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

NOTE 39 STOCK APPRECIATION RIGHTS (CONTD.)

The SARs outstanding as at 31 March 2020 and 31 March 2019 have a base price / exercise price of INR 148.50 per SAR and a weighted average remaining contractual life of 1.85 years (31 March 2019: 2.85 years). No SARs were exercised during the year.

D. Expense recognized in statement of profit and loss

The Group 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 26B.

NOTE 40 SUBSEQUENT EVENTS

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

NOTE 41A BUSINESS COMBINATIONS

A. Business combinations during the year

i. Acquisition of Auroma Logistics Private Limited ("ALPL") , a subsidiary

During the previous year, the Company acquired 90% interest in Auroma Logistics Private Limited under a share purchase agreement dated 6 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:

	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.

Notes forming part of the Consolidated financial statements

for the year ended 31 March 2020 (Contd.)

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

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**

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 excepts to reduce cost through economies of scale.

None of the goodwill recognised is expected to be deductible for income tax purposes.

NOTE 41B 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)**

Notes forming part of the Consolidated financial statements

for the year ended 31 March 2020

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

NOTE 41B ACQUISITION OF NON-CONTROLLING INTERESTS ('NCI') (CONTD.)

Rajprotim Supply Chain Solutions Limited ("RCS")

In December 2019, the Group acquired an additional 12 percent interest in Rajprotim Supply Chain Solutions Limited for a consideration of INR 11 crores and paid in cash. Increasing its ownership interest from 88% to 100%. The carrying amount of RCS's net liabilities in the Group`s consolidated financial statements on the date of acquisition was INR 2.14 crores. The Group consequently derecognised NCI of INR 1.88 crores. The difference of INR 9.12 crores has been adjusted in retained earnings.

	Amount
Carrying amount of NCI acquired/ derecognised	(1.88)
Consideration paid to NCI	11.00
Decrease in equity attributable to owners of the Company	**(9.12)**

Auroma Logistics Private Limited ("ALPL")

In February 2020, the Group acquired an additional 10 percent interest in Auroma Logistics Private Limited for a consideration of INR 2.50 crores and paid in cash. Increasing its ownership interest from 90% to 100%. The carrying amount of ALPL's net liabilities in the Group`s consolidated financial statements on the date of acquisition was INR 38.90 crores. The Group consequently derecognised NCI of INR 3.89 crores and forward contract liability entered with non-controlling interests of INR 6.36 crores. The net difference of INR 2.47 crores has been adjusted in retained earnings.

	Amount
Carrying amount of NCI acquired/ derecognised	(3.89)
Derecognition of forward contract liability entered with non-controlling interests	6.36
Decrease in equity attributable to owners of the Company	**(2.47)**

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

Praveen Kumar Jain
Partner
Membership No. 079893

Place: Chennai
Date : 9 June 2020

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

Kasturi Rangan E.H
Managing Director
DIN: 01814089

Krishnan S.V
Director
DIN: 07518349

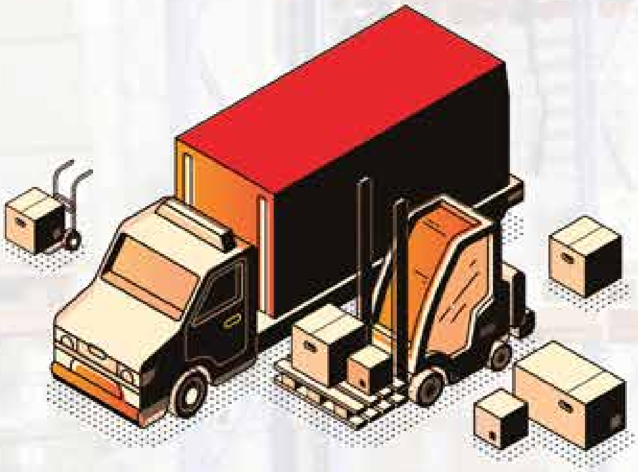
Dr. Arunachalam R
Chief Executive Officer

N R Venkatesan
Chief Financial Officer

Place: Chennai
Date: 6 June 2020

Notes

Notes



ProConnect
Integrated Logistics
a Redington company

Registered Office
SPL Guindy House, No. 95, Mount Road
Guindy, Chennai – 600,032

Corporate Office
Jandus Building, Plot No. 33 A, 2nd Floor, South Phase
Thiru.Vi.Ka Industrial Estate, Chennai - 600 032