TMILL Group

# Re-inforcing Sustainable Growth

## 22nd Annual Report- 2023-24

**TM International Logistics Limited**

(AJV of Tata Steel Limited, NYK Holding (Europe) BV and IQ Martrade)

# About **the Report**

This report is based on the International Integrated Reporting <IR> Framework of the International Integrated Reporting Council (IIRC). The financial statements have been prepared in accordance with Indian Accounting Standards ('Ind AS') notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act, 2013 and other accounting principles generally accepted in India.

**Company regulations and accounting policies**

The Consolidated Financial Statements in the report conform with Ind AS, which requires the management to make judgments, estimates and assumptions, that impact the application of accounting policies and the reported amounts of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities at the date of these Consolidated Financial Statements and the reported amount of revenues and expenses for the years presented. Actual results may differ from these estimates.

**Reporting Period:** 1 April 2023 to 31 March 2024.

**The scope of the Report is the entire operations of the TM International Logistics Group comprising TMILL and its subsidiaries, TM International Logistics Limited, TKM Global Logistics Limited,TKM Global China Limited, TKM Global GmBH & International Shipping and Logistics FZE.**

# Contents

# Vision

To be a leading logistics solution provider by delivering value across the supply chain in select markets.





An overview

## About Us

**TM International Logistics Limited (TMILL) is a integrated logistics service provider renowned for its customer-centric approach and exceptional operational excellence. Established in 2002 as a joint venture between Tata Steel Limited, NYK Holding (Europe) BV, and IQ Martrade, TMILL Group operates across multiple Indian cities and internationally in the UAE, Germany, and China.**

### Overview of TM International Logistics Limited (TMILL)

**Headquarters**
Kolkata, India

**Global Operations**
- India (multiple cities)
- UAE
- Germany
- China

**Core Competencies**
- Customer-centric approach
- Unparalleled operational excellence
- Seamless end-to-end supply chain solutions

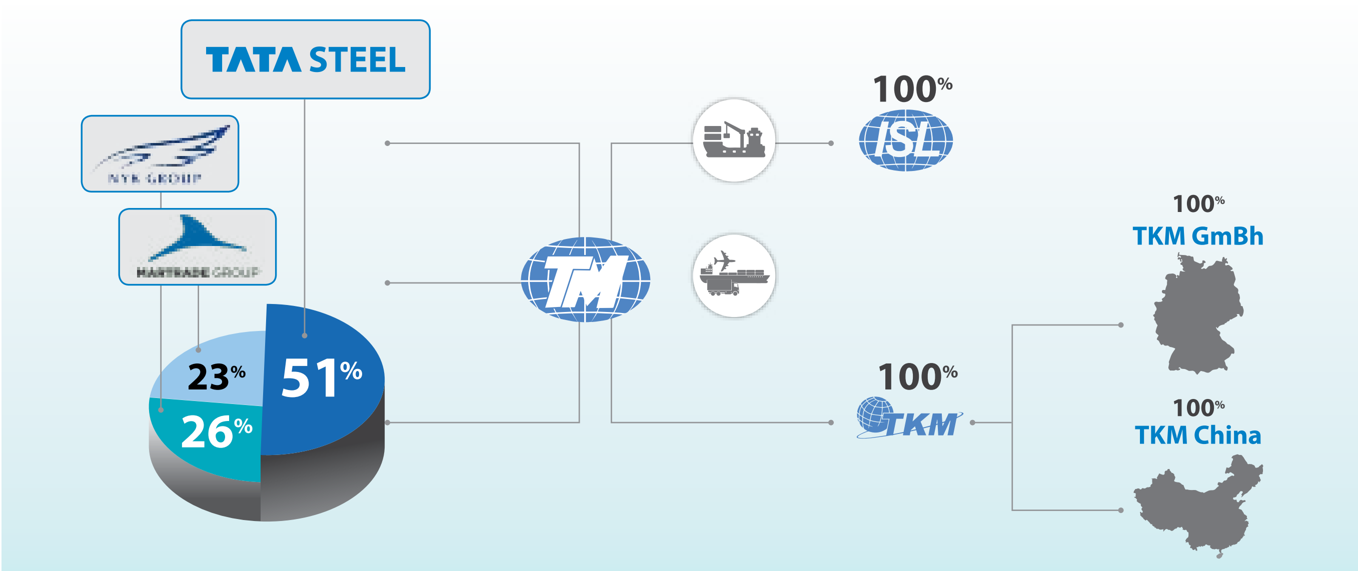
**Value Proposition**
- Consolidated presence across logistics verticals
- Reliable and trusted partner
- Single-window solution for all supply chain requirements

**Comprehensive Logistics Services**
- Railways
- Port Operations
- Shipping
- Freight Forwarding
- Warehousing
- Supply Chain Management

**2200+**
Including contractual workforce
Team size (Nos), 31 March 2024

**~16%**
Women in the workforce

## Shareholding Structure



# Journey of TMILL

## 2002-09

- TMILL created via a joint venture to handle Tata Steel's logistics business
- Operations commence at Berth #12
- ISL is established leading to the initiation of chartering, shipping and clearing businesses
- TMILL acquires TKM Overseas Transport Ltd
- TKM China commences operations
- Warehouse established at Jamshedpur
- Restructuring of the joint venture: Tata Steel, IQ Martrade & NYK
- Formation of TM Harbour Services Ltd

## 2010-15

- O&M Contract for Dhamra is awarded
- Operations start at Sohar
- Investments made in Railway Siding at L6 Plot

## 2017-19

- Inaugaration of Railway SFTO Operations
- Purchase of Vessel ISL Star
- 2 million tonnes of cargo is handled at Haldia
- Supply Chain Management of Pravesh doors commences
- National Safety Award for operations of Berth #12
- Best Vendor Award from Tata Steel
- GPWIS operations started
- Modern warehousing facility set up at Jamshedpur

## 2020-24

- Developed Tea Auction Warehouse at Jorhat, Assam for mjunction
- Received 11th CII National HR Excellence Award, 2020
- Received Global HR Excellence Award, 2021
- New vessel - MV Subarnarekha - purchased
- SFTO steel transportation crosses 5Mn tonne mark since inception
- Geographical expansion of warehousing business
- GPWIS rake converted to 25T axle load
- Combined CHAIL, FF and Warehousing services to offer Integrated Logistics Services
- The new Inland Waterways & Multimodal Logistics vertical is launched

# Reinforcing Sustainable Growth

**In line with the Tata Group's vision** for a greener, cleaner, more sustainable and equitable future for the planet, TMILL is driving sustainability from a strategic perspective and ensures that the organisation is engaged in conscious efforts to achieve it.

The Company reframed its Vision in 2022, with inputs from its Board, key stakeholders as well as its understanding of emerging industry and customer needs.

A Materiality Study was also conducted in February 2024 to identify and prioritise the most significant environmental, social, and governance (ESG) issues for the organisation. The materiality exercise, carried out through peer benchmarking and by engaging with various stakeholders, took the Global Reporting Initiatives and Sustainability Accounting Standards Board into consideration while listing the material topics. The outcome of the materiality mapping resulted in 10 high priority material attributes being identified for the organisation.

### Vision

To be a leading logistics solution provider by delivering value across the supply chain in select markets.

### Mission

Customer-oriented learning organisation delivering system benefit across supply chain through leveraging Tata Steel Group support, underpinned by operational excellence and reliable delivery systems.

### Values

- Customer Intimacy
- Integrity
- Intensity
- Pioneering

### Cultural Traits

- Resilience
- Learning
- Open & Participative
- Execution Focus

### Core Competencies

- Knowledge of various logistics related business
- Presence in multiple geographies
- Backed-up with Tata brand
- Synergistic Business models
- Company with high level of Ethical Standards

### Material Issues

- Supply Chain Management
- Economic Performance
- Employee Wellbeing & development
- Data & Cybersecurity
- Diversity & Equal Opportunity
- Workforce Health & Safety
- Community Support & Corporate Social Responsibility
- Ethical Corporate Governance
- Employee & Labour Relations
- Climate Change & Energy

# Business Execution Model

TMILL is revolutionising itself by closely monitoring global logistics trends, embracing new cutting-edge digital technologies and service integration to provide real-time supply chain visibility. Its seamless processes, supported by agile business practices, customer feedback, and the ongoing development of employee skills, have given TMILL a strategic advantage in its transformation journey.

### Business Verticals and Service Offerings

| Business Unit | | Service Offerings |
|---|---|---|
| Railways Operations (Inbound) | Railways (TMILL) | Material Movement |
| Ports & MLS (Inbound & Outbound) | Berth#13 (TMILL) | Material Handling |
| | Haldia Other Berth and Paradip Port (TMILL) | Material Handling |
| | Maritime Logistics Services (TMILL) | Ancillary Services |
| Integrated Logistics Services (Inbound & Outbound) | Freight Forwarding (TKM Global Germany, TKM Global India & TKM Global China) | Ancillary Services |
| | CHA&IL (TMILL) | Ancillary Transport Services |
| | Warehousing (TKM Global India & TMILL) | Material Storage |
| | Inland Logistics (TMILL) | Material Movement via Road |
| | Supply Chain Management (TMILL) | Material Storage & Movement |
| Shipping (Global) | Shipping (ISL) | Material Movement |

# Risk Management

TMILL has charted a growth model characterised by investment in assets and long-term contracts in identified growth areas. The pursuit of growth via investments in assets comes with its own set of risks and challenges, and therefore, data driven decision-making and robust Risk Management has been a key focus area for it.

Enterprise-level challenges faced by the Company from emerging trends in the logistics sector include
i) Digitalisation of supply chains and the relevant skill upgradation gap,
ii) Transition challenge from being an operationally efficient to a market facing organisation and
iii) Career progression of employees in a matured stable business.

Changes faced by TMILL can be classified into three categories. These are:
i) Shifts in customer's procurement strategy,
ii) New market trends such as digitalisation of the supply chain and
iii) New supply chain designs of existing customers preferring resilience over reliability within their supply chain. Safety and Operation risks form part of individual work processes and instructions.

Cross Functional Teams (CFT) brainstorm through a benchmarking exercise with Tata Group Companies and the TSL ERM framework.

TMILL defined the risk identification process in the ABP, LTP along with the qualitative and quantitative risk scoring based on Likelihood and Impact, to standardise a formula driven Risk Score template across verticals.

Enterprise level risks screened and identified by SLTs, aided the development of the Individual Heat Maps.
The Company has developed mitigation strategies for all Risks, withs structured review mechanism being implemented and periodically reviewed by the top management and shared with all Board members. The Risk Register is also updated timely on its Intranet Quality Portal.



About Us - Mission Element

# Digital Implications

## Approach

**The Company has set a goal of digitally enabling the business to perform and succeed in this VUCA (volatility, uncertainty, complexity and ambiguity) World by 2030.**

## Actions and Initiatives in 2023-24

TMILL's entire IT infrastructure has been moved to the Azure using the SAP S4 HANA Platform. It has implemented the Line of Business Application to capture operational data, along with data reporting and dashboards available on its Intranet Portal for employees, ethics, Quality, safety, etc. It has also implemented a Compliance Portal, Approval Workflow, Insurance Portal, Bank Communication system. TMILL's infrastructure is also part of Tata Steel's SAP, Microsoft & EY Security Contract, which are supported by the respective OEMs ensuring sustainability of services.

## Way Forward

TMILL is steadily progressing towards covering all transactions via the LoB Application to ensure simplification in transactions and 100 per cent utilisation of all applications. In addition, an analytical layer is being developed over data reporting for business support. This will include Track and Trace ensuring end-to-end visibility, including connect with Government interfaces (Railways, Customs, Ports, etc). Technology will also substitute piloting and inventory in Warehousing, along with sensitisation of owned equipment.

TMILL plans to conduct a comprehensive Data Maturity Assessment to evaluate its data management capabilities and maturity levels. Additionally, the Company will continue to focus on enhancing data privacy and security, ensuring that its information security management system is robust and compliant with global best practices.

# Business Model

**The key, anchor customer for all TMILL's Strategic Business Units (SBUs) is the steel industry, in particular the Tata Steel Group. TMILL's Shipping business alone caters to multiple spot customers.**

## Railways

### Business Model

Rakes operated on fixed monthly rental at Rs per MT rate for customer

### Key Revenue Drivers

- Fast turnaround of rakes
- Higher mix of profitable destinations

### Differentiators

Deep understanding of customers' inbound and outbound supply chain

## Ports & MLS

### Business Model

Manpower fixed and semi fixed cost, equipment (owned& outsourced) & supervision used to handle import & export cargo under license from Ports MLS-Leveraging manpower & domain specialisation to provide agency services

### Key Revenue Drivers

- Volume of cargo
- Unit regulated rates
- No of Vessel calls
- Range of support services

### Differentiators

License Agreement, management of external stakeholders in Haldia Port. Stevedoring License at Paradip, Ethical conduct, Safety Integrated with TSL supply chain; Ethical conduct, liasioning with statutory bodies

## Shipping

### Business Model

Matching shipping capacity (for owned/ procured from markets) by cargo

### Key Revenue Drivers

- Volume of Cargo moved
- Revenue from Voyage and Time Charter

### Differentiators

Dominant player in Indian Coastal Shipping.

## ILS-CHAIL

### Business Model

Leveraging domain expertise to provide CHAIL service

### Key Revenue Drivers

- Manpower Costs
- Markup on Cost

### Differentiators

Ethical conduct, data integrity; Web driven status update. Domain knowledge of classification & EPCG norms

## ILS - Warehousing

### Business Model

Resource based model; Output based model

### Key Revenue Drivers

- Resources deployed; Volume of material handled

### Differentiators

Modern warehousing in Jamshedpur & Kalinganagar

## ILS - Freight Forwarding

### Business Model

Trading and Service Fee Model

### Key Revenue Drivers

- Volumes
- Mix of Air & Sea Freight
- Bundled Services
- OLSP nomination

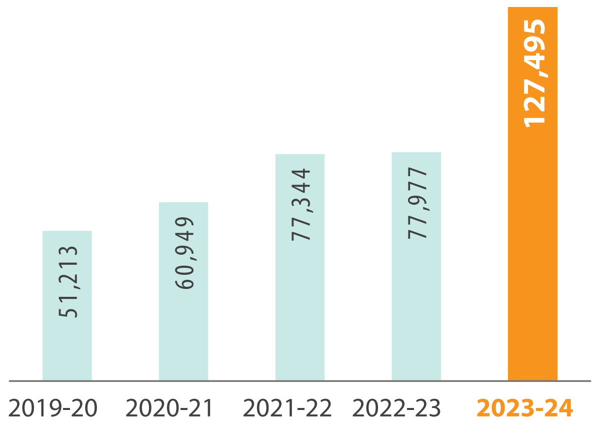
### Differentiators

1. Vast Overseas agent network
2. High level of customized service

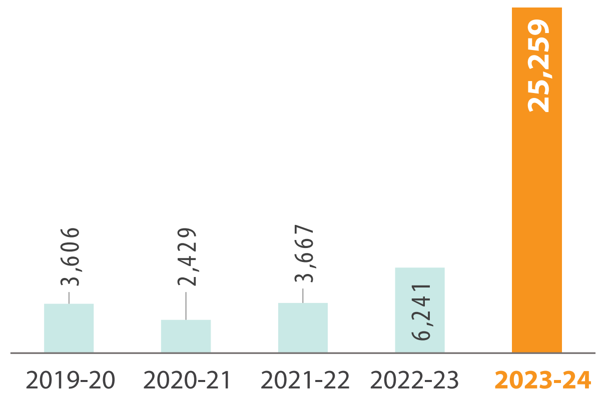
# Financial Performance

## TMILL Standalone

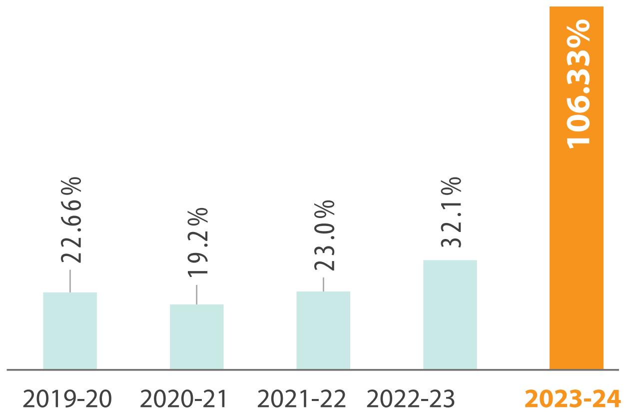
### Turnover (INR in Lakhs)



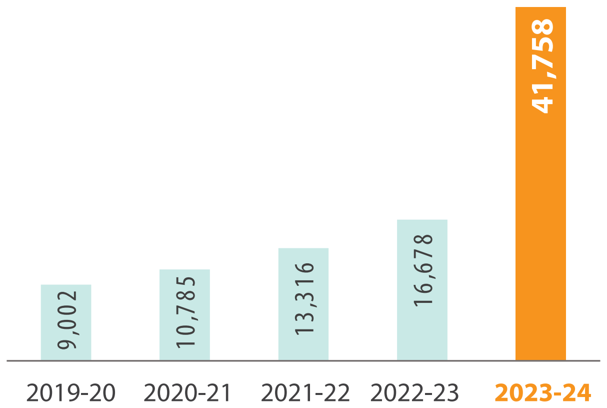

### Profit Before Tax (INR in Lakhs)



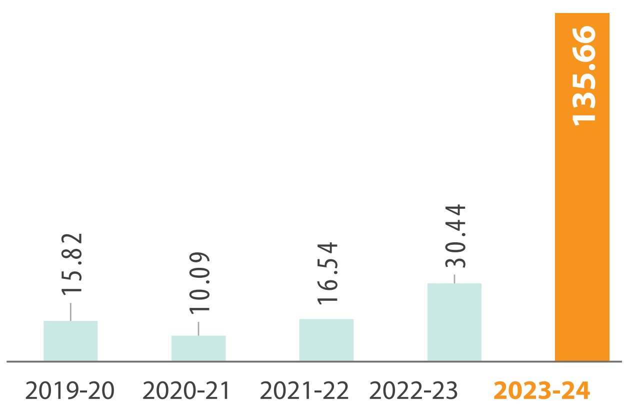

### ROCE (%)



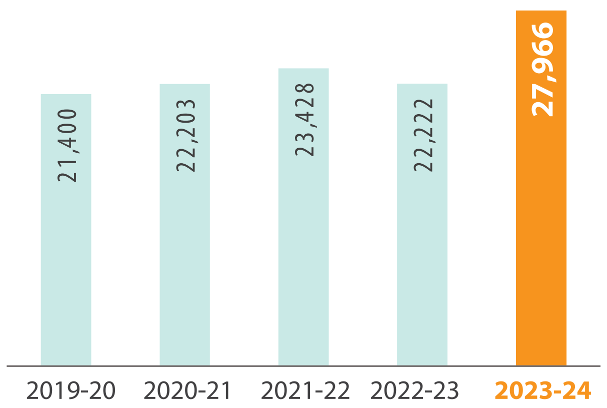

### EBIDTA (INR in Lakhs)




### Earnings Per Share (Rs)

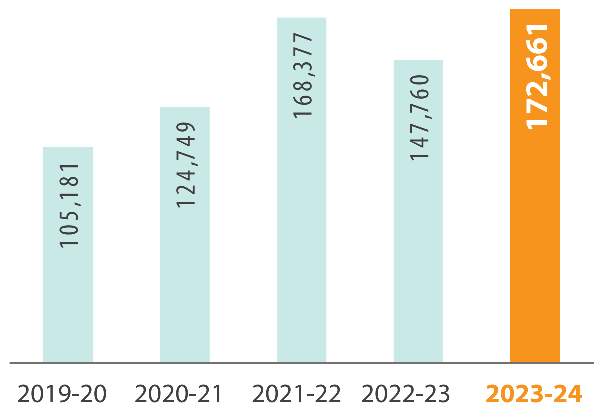



### Total Net Worth (INR in Lakhs)

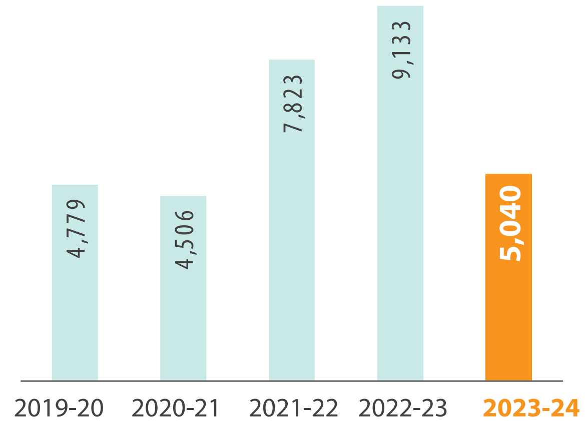



## TMILL Group

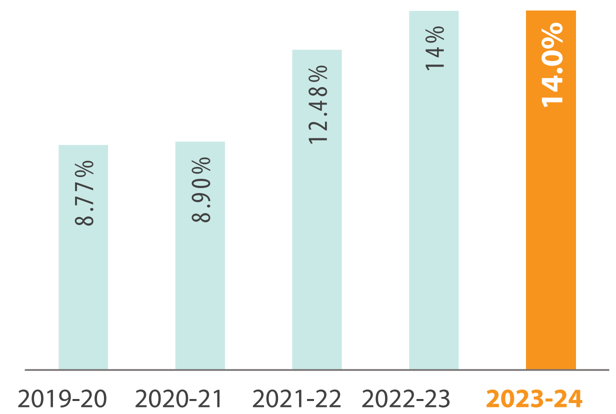
### Turnover (INR in Lakhs)



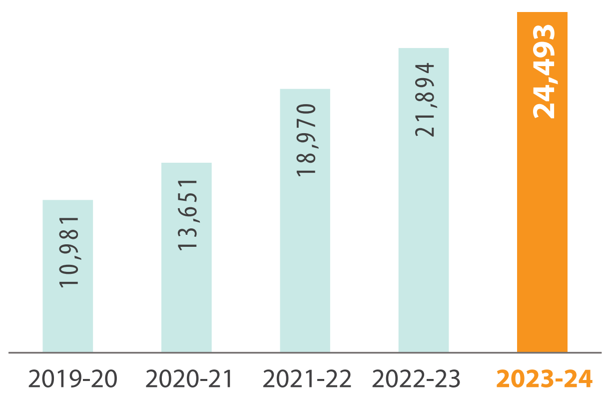

### Profit Before Tax (INR in Lakhs)



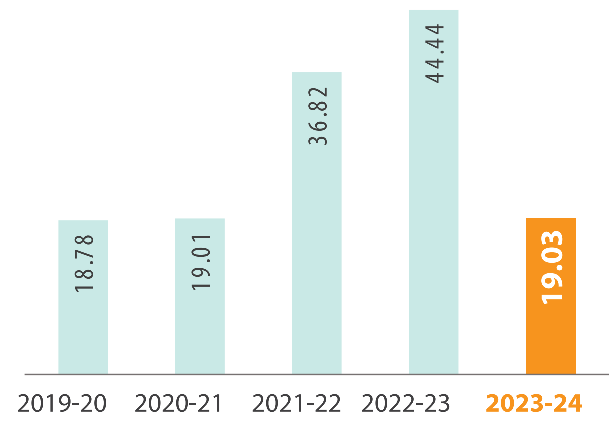

### ROCE (%)



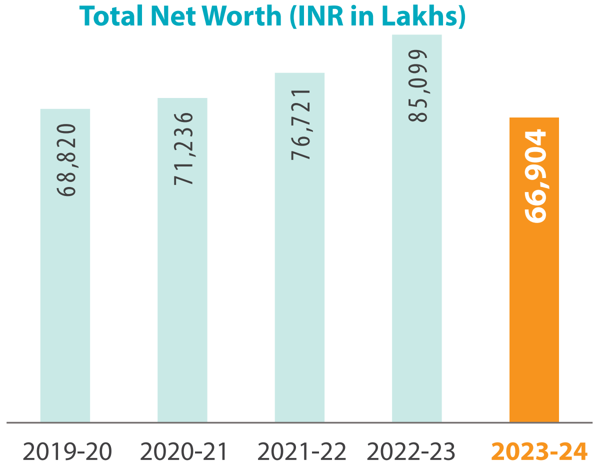

### EBIDTA (INR in Lakhs)




### Earnings Per Share (Rs)




### Total Net Worth (INR in Lakhs)



# Chairman's Statement

Dear Shareholders,

On behalf of the Board of Directors, I take pleasure in presenting the 22nd Annual Report for the financial year 2023-2024. The financial year gone by saw an overall recovery in terms of demand. India's steel consumption in FY24 was up 14 per cent y-o-y to 136 mt, against a global demand growth of less than 2 per cent. Production of finished steel was up 12.4 per cent to 138.5 mt. On the downside, new commodity price spikes from geopolitical shocks––including the Red Sea, persistent underlying inflation led to tighter monetary conditions. Deepening property sector woes in China and spending cuts caused slower growth. Despite the challenges faced in FY24, your Company demonstrated resilience, adaptability, and teamwork.

Though the Company did see a dip in terms of profit at the consolidated level, the topline growth continued to be strong. The company took several initiatives to keep operations steady while ensuring the safety of employees. TMILL Standalone revenue grew from Rs 734 Cr to Rs 1039 Cr. Profit before tax (PBT) at TMILL standalone level grew from Rs 62 Cr to Rs 252 Cr (includes dividend income from overseas subsidiaries). Excluding the dividend, the profit before tax (PBT) grew from a level of Rs 29 Cr in FY23 to Rs 31 Cr in FY24. At a consolidated level, while revenue grew from Rs.1456 Cr to Rs.1688 Cr, the profit before tax (PBT) dropped from level of Rs.91 Cr to Rs.50 Cr.

**TMILL Overseas Subsidiaries:**

**International Shipping & Logistics FZE**

Shipping markets saw a bit of turmoil which impacted the performance of own ships as well as tramp trade (not have a fixed schedule or published port of call). Further, due to key regulatory changes in Coastal shipping, our own vessel had to be redeployed in less premium market. We also had to bid farewell to ISL's first vessel 'MV ISL Star' which was decommissioned and scrapped after completion of its useful life of 25 years. ISL saw a drop in its revenue from 75.74 Mn USD in FY23 to 59.51 Mn USD in FY24 with a corresponding drop in Net profit from 6.30 Mn USD in FY23 to 1.34 Mn USD in FY24.

**TKM Global Logistics:**

TKM is now extending its services both within and beyond Tata Companies, reaching industries such as FMCG, semiconductors, and defence. Last year, we successfully managed 10 air charters for JLR from Dammam to the UK and transported a Ball Mill Shell from Trichy to Jamshedpur using a multimodal approach. Our operations handled over 14,000+ TEUs of freight cargo across our offices in India, Germany, and China. The TKM group reported a profit before tax (PBT) of Rs 16.76 Cr in FY24 as compared to Rs 13.09 Cr in FY23.

**India Operations:**

It gives me immense pleasure to share that TMILL has handled 2.36 MMT at Berth-13 and this is the bestever in last 15 years. Ports and Maritime Logistics Services (MLS) Division reported increased profitability with port handling tonnage of 16.63 MMT in FY24 as against 15.07 MMT in FY23.

Customs Handling Agency (CHA) division did customs clearance of Cost Insurance & Freight (CIF) value break bulk import of 3,739 Cr in FY24 as against Rs. 3,152 Cr in FY23.

Warehousing business showed substantial revenue growth of 88 Cr in FY24 from Rs. 68 Cr on FY23. Railway business grew from 35 Rakes to 64 Rakes (30 SFTO & 34 GPWIS) during the year. Also, for the first time, TMILL has become a proud owner of 2 GPWIS rakes.

**Awards & Accolades & Certifications:**

TMILL has been recognized as a 'Dream Company to Work For – Logistics Sector' by the World HRD Congress and has received the CII National HR Excellence Award. We have also been recognized as a Great Place to Work, reflecting our commitment to fostering a positive work environment.

TMILL maintained itself as an Emerging Industry leader as assessed in the Tata Business Excellence Model (TBEM) by increasing its score from 562 to 578 in 2023. Furthermore, the company has successfully achieved ISO 27001 and ISO 27701 certifications, marking a significant milestone in our commitment to information security and data privacy practices.

FY25 brings a blend of opportunities and challenges. While steel consumption grew by around 14 per cent in FY24, the growth is likely to moderate to 8-10 per cent in the fiscal year 2024-25. The operating environment is expected to remain challenging owing to elevated input costs, and a weak external environment. In addition, higher exports from China are expected to keep the prices under check in markets of interest including India.

In view of the foregoing, the Company shall continue to support customers in their sustainability endeavors by providing eco-friendly and sustainable logistics services in the form of inland waterways, multi-modal logistics and continue its focus on the Rail operations.

I would like to thank Mr. Shinichi Yanagisawa, who has stepped down from the board, for his valuable guidance and direction to the Management as Director on the Board of the Company. I also welcome Mr. Nobuaki Sumida as Director on the Board of the Company.

On behalf of the Board of Directors of the Company, I sincerely thank all the shareholders, the Government, Customers, Employees, Suppliers, and other stakeholders for their continued support and understanding.

With Best Wishes

**Peeyush Gupta**
Chairman

# Managing Director's Statement

After a few years of setting records in business results, TMILL group performance took a dip in FY 24. While the top line continued to be strong, profitability was lower than plan due to setbacks in the performance of Shipping (ISL) and Railways verticals despite strong performances by the Port Operations and TKM Germany teams.

Shipping markets saw a bit of turmoil which impacted the performance of own ships as well as tramp business. Further, regulatory changes in Coastal shipping meant that own vessels, which were over 20 years of age, had to be redeployed in less premium markets. It is also with a heavy heart that we bid farewell to ISL's first vessel ISL Star which was decommissioned and scrapped after completion of its useful life of 25 years.

TMILL stand alone performance was buoyed by a record performance by Ports and Marine Logistics Services Division. In addition, FY 24 also witnessed successful initial forays into the Inland Waterways business with shipments to Bangladesh and NE States via Bangladesh. Railways continued to grow with fleet size on rail reaching 64 with a pipeline of about 25 still to come. However, Railway performance was well short of the plan particularly for GPWIS rakes. Areas of improvement in operations and contracting have been identified and its expected to bear fruit from later part of FY 25. A significant achievement in Railways was developing an alternate Leasing Partner in Tata Capitals at a significant discount to the existing partners. In another first, TMILL introduced the first two purchased GPWIS rakes in the current year.

Other business areas like CHA & IL, Warehousing were broadly as per plan while Freight Forwarding business in China and India continue to be a concern.

TMILL Standalone revenue grew from Rs 734 Cr to Rs 1039 Cr. Profit before tax at TMILL standalone level grew from Rs 62 Cr to Rs 252 Cr including dividend income from overseas subsidiaries. Excluding the dividend, the Profit Before Tax grew from a level of Rs 29 Cr in Fy23 to Rs 31 cr to Fy24. At a consolidated level revenue growth was from Rs.1456 cr to Rs.1688 cr however Profit before tax was lower from Rs.91 Cr to Rs.50 Cr.

In people front, this year saw an overall improvement in Engagement Scores and also secured several rewards and recognitions. TMILL has been honoured as a "Dream Company to Work For – Logistics Sector" by the World HRD Congress. It has also been certified a Great Place to Work on the back of a committed performance by the HR team and the line managers.

Going forward the task is well cut out for the team and its stands committed to revert to a high-performance regime not only in terms of business results but also in the areas of sustainability and operational excellence.

**Dinesh Shastri**
Managing Director

# Transformational Synergy

**The Company adopted Service Integration, enhanced Customer Experience and Improved Efficiency among its key strategic business drivers. Transformational change is an ongoing process at TMILL, which continues to be driven via Business Process Reengineering and redesigning of the IT infrastructure. These enablers have formed the basis of its transformation and given rise to an agile, risk conscious, synergised organisation with new visibility and a vision for now and the future.**

## External Environment

| Global Logistics Market | |
|---|---|
| 1 | USD 9.8 trillion globally (2022) |
| 2 | 5.6 per cent CAGR between 2022-32 projected at USD16.7 trillion |
| 3 | Represents over 10 per cent of Global GDP |
| 4 | 60 per cent market market share controlled by players outside of the Top 20 |
| 5 | Highest market share at 6 per cent with DHL |

| Indian Logistics Market | |
|---|---|
| 1 | USD 274 billion (2022) |
| 2 | USD 563 billion by 2030 at a CAGR of 9.4 per cent |
| 3 | Logistics costs as percentage of GDP is 14 per cent, compared to BRICS average of 11 percent, and developed countries average ~8 per cent |
| 4 | Domestic logistics sector is dominated largely by unorganised players |

*(Source: STATISTA 2023)*

## Key & Emerging Requirements of Stakeholder Groups

| Stakeholder Groups | Key Requirements | Emerging Requirements |
|---|---|---|
| Shareholders | • Financial Performance (ROIC, ROE)<br>• Y-O-Y growth<br>• System value creation | • Environmental, Social and Governance |
| Customer | • Customer Support Services<br>• Reliability<br>• System value creation<br>• Timely customer complaint redressal | • Digital interface<br>• Knowledge sharing<br>• Partnership for innovative solutions |
| Supplier/ Partners | • Fair commercial terms & timely payments<br>• Quick resolution of issues<br>• Long term relationships | • Digital interface<br>• Knowledge sharing<br>• Partnership for innovative solutions |
| Governments/ Regulators | • Compliance to regulations | • Lower carbon footprint |
| Community | • Economic Advancements | • Inclusive Growth |
| Employees | • Career progression<br>• Reward & Recognition<br>• Healthy work environment | • New age skills |

## Challenges, Threats and Opportunities for Business Units

| Strategic Business Units | Challenges | Threats | Opportunities |
|---|---|---|---|
| **Railways** | New wagon design with better payload to tare weight ratio<br>Policy changes | The current wagon design is locked under 10-year lease and TMILL may lose market share. Impacts competitiveness of SFTO rakes vs Indian railways rakes | • New wagon design initiative<br>• Policy advocacy |
| **Ports & Maritime Logistics Services** Berth#13 | License for new mechanised coal and limestone handling berth awarded to competition<br>Shift of steel exports towards parcel size exceeding 25,000 MT<br>Shift on inbound raw material ship sizes towards Capesize | Reduction of customer cargo for Berth # 13 & Other Berth berths – Impact on profitability<br>Steel exports from Haldia have declined to the benefit of competing ports -Impact on profitability<br>Reduced volume at Haldia | • Improved productivity at berth # 13<br>• Diversify customer base |
| **Shipping** | Volatile shipping market, Operational efficiency, robust risk management and deep insight of the trade | Margin & revenue pressure | • Customer mindset shifting to Green shipping |
| **Integrated Logistics Services**<br>**CHAIL** | Digitalisation and contactless working by Customs Department | Reduction in manpower required for Customs clearance | • DGFT / Customs: Policy changes |
| **Integrated Logistics Services**<br>**Warehousing** | B2B players investing in capacity augmentation | Increase in competition | • Digitalisation / Automation |




# NOTES

# Business Highlights in 2023-24

# Railways

## Approach

**In line with global shifts towards green logistics, the Company is targeting a gradual increase in its asset base by scaling up the Railways vertical for greater cost effectiveness and sustainability in the movement of materials for its customers. In addition to the environmental benefits of this shift to the supply chain of its customers, this shift will provide TMILL with an advantage over competitors, increase its share of business from the Tata Steel Group companies, increase its revenue, expand its market share and provide improved returns on retained earnings.**

## Strategic Opportunities

TMILL was among the first private players in India to acquire railway rakes in April 2017 by inducting three (3) SFTO rakes for transportation of steel coils for Tata Steel soon after the Government of India introduced its Special Freight Train Operator (SFTO) Scheme. In July 2019, it inducted its first GPWIS rake. As on 31 March, 2024, TMILL had thirty (30) SFTO and thirty five (35) GPWIS rakes. The ongoing shift by Indian Railways to allow more private rakes, coupled with TMILL's first mover advantage, creates opportunities for TMILL to grow this business. By March 2026, TMILL expects to have in excess of 90 rakes in its fleet.

TMILL is pursuing a two pronged strategy for the growth of its Railway business and enhancing its profitability.

**Improved Asset Utilisation:** Under the LSFTO policy, empty movement of rakes is not chargeable by the Indian Railways but when there is a return load, 10 per cent rebate is provided. TMILL intends to utilise the asset better by procuring return cargo so as to increase overall asset utilisation and profitability. Further in case of GPWIS rakes, TMILL will be minimising empty movement by loading cargo for customers other than primary customers.

**Growth by Expanding Customer Base:** TMILL has identified steel and cement as two sectors where the requirement of GPWIS & LSFTO rake is high with industry players already using such rakes. In the cement industry, TMILL intends to tap mid-size cement companies for bulk cement and fly ash movement in BTAP, BCFC type of rakes. In steel, TMILL will reach out to SAIL for both its SFTO and GPWIS business.

## Strategic Challenges

Asset specificity in the SFTO Scheme, with growth linked to capacity enhancement by the anchor customer, along with the current duopoly of rail leasing companies, and Indian Railways being both a competitor and regulator, are foremost among the challenges limiting TMILL's potential to tap these opportunities.

## Key Initiatives

TMILL enters into five (5) year contracts with its anchor customer (Tata Steel) with back-to-back leases from rake leasing companies licensed by Indian Railways. In March 2024, most of these contracts were of 10 years or more duration with a concomitant duration of lease.

**Induction of rakes:** The Company is aggressively leveraging its first mover advantage to meet the enhanced requirements of its customers, leading to continued business growth in this vertical. In FY'24, TMILL's Railway Division continued to increase its fleet size in a staggered manner, from 19 to 30 in the SFTO category and 17 to 34 in GPWIS, taking the total number of rakes operated by the Company in the current year to 64. This is in line with the commissioning of Phase II of the Kalinganagar Plant in FY25 and proposed expansion of Tata Steel's capacity.

The enhanced fleet size led to the SBU handling 2.64 MMT (PY1.73 MMT) of finished goods and 11.18 (PY: 8.68 MMT) MMT of raw materials during the year.

**Strengthen Strategic Partnering with TSL:** The Company continued to strengthen its strategic partnership with Tata Steel. At the request of its anchor customer and with the consent of TMILL, the Indian Railways introduced a push-pull system between the steel company's mines and its Kalinganagar plant to alleviate iron ore shortage. In addition, the completion of 25T conversion and notification of eight GPWIS rakes catered to the increase in the customer's demand for movement of higher tonnages during the year.

TMILL continued to undertake Policy Advocacy with the Research Designs and Standard Organisation (RDSO) of the Indian Railways with the aim of developing customer friendly rake designs. Its initiative led to the induction of a new wagon design for BFNS (M), with a 22.9 Ton Axle Load, which is allowing for competitive pricing of cargo. The Company also initiated an upgraded in the existing wagon design with the use of improved rubber pads achieving an extra 10 per cent of load in GPWIS wagons, which allowed it to benefit from improved profitability and pricing.

**Operational Efficiency:** A proactive approach towards streamlining ROH/POH is driving operational efficiency in TMILL's Railways vertical. A key focus area is the mitigation of rake downtime as it provides revenue gains by enhancing the operational efficiency of the fleet. TMILL realised savings mitigating 75 days of rake downtime in SFTO,





leading to revenue gains of approximately ₹0.60 Cr. In FY24, 130 days of rake downtime were mitigated in GPWIS, resulting in revenue gains of approximately ₹0.80 Cr, showcasing a proactive approach towards operational streamlining in ROH/POH.

A maintenance depot was developed at Angul for four GPWIS rakes to overcome infrastructure limitations in Paradip, the maintenance depot base till then, since enroute congestions were causing serious delays.

**Proactive Business Development with Select Steel and Cement Players:** TMILL is also targeting business growth by extending it service offerings to non-Tata Steel Group companies. A result of this endeavour was a contract from Dalmia Cements for Slag, Clinker and Fly Ash movements, resulting in the inauguration of BOXNHL loading at its operations. Subsequently, under the same contract TMILL introduced its first owned BOXNHL rakes in the Clinker circuit, TG01 on 10 September 2023 and TG02 on 1 November 2023, respectively. It also recorded a significant milestone by flagging off its maiden BFNV rake at the manufacturing plant of Jindal in Baroda and leasing four new BFNV rakes. TMILL has reached out to customers for car, coal, oil flux, iron ore, slag, clinker and raw material movements.

**Supply Side Improvements:** The Company introduced a third leasing company to ease supply side constraints, also bringing in Tata Capital into its leasing ecosystem for direct negotiations with manufacturers to finalise wagon prices and their delivery schedule.

## Performance Highlights

### SFTO Tonnage (Mn MT)

| 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 |
|---|---|---|---|---|
| 0.88 | 1.66 | 1.98 | 1.73 | 2.64 |

### GPWIS Tonnages (Mn MT)

| 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 |
|---|---|---|---|---|
| 1.82 | 4.7 | 6.53 | 8.63 | 11.14 |

### Green Points

The Indian Railway initiative came into effect on 1 April 2022 for Railway freight customers. It is the amount of saving carbon emissions in tons of $CO_2$ on account of transportation of goods by railways instead of road. After the generation of RR, the saving of carbon emission is credited to the account of the freight customer in the form of Rail Green Points.

### Green Points (Numbers)

| 2022-23 | 2023-24 |
|---|---|
| 77858 | 98990 |

### Way Forward

TMILL's railways business is focusing on the conversion of four BFNV from 22.9 T axle loads to 25 T axle load, endeavouring to carry steel cargo of other parties in empty rakes on the return direction as well as is targeting an increase in third party cargo to reduce empty movement of GPWIS rake.

# Shipping

## Approach

**Across the global shipping industry there has been a push for decarbonisation in all segments and environmentally responsible practices for sustainable operations. In addition, operators are expected to provide transactional efficiency and ensure transparent contracts, trends that TMILL intends to remain abreast of.**

## Strategic Opportunities

For movement of material, TMILL offers its customers ship chartering and vessel operations services. There remains a lack of clarity on the technologies and fuels likely to mature, hence, given the volume of investments required, shipowners are hesitant to immediately commit any fresh capital for new vessels.

As a result, it is a saturated business with constant pressures on margins, where business opportunities are becoming relatively scarce due to lack of sufficient spare compliant vessel availability. TMILL's strategic objective is to ensure that its Shipping business remains sustainable by continuing to play the predominant ship operators' role in the Indian coastal business.

In the medium term, therefore, TMILL is opting to focus on customers in select markets especially on coastal routes, explore opportunities to acquire second hand assets for a limited period, sweat low-cost assets and ensure sufficient cash availability for debt free assetisation.

## Key Initiatives

TMILL follows the tramp model with no fixed schedules or shipping routes in its shipping business, which is reflective of the varied needs of its customers during the year. While retaining its customer base the Company is intent on acquiring new coastal cargo other than coal.


## Performance Highlights

Even in uncertain market conditions, owned tonnage allowed TMILL buoyancy and ensured it improved its performance during the year, with a last quarter surge in fixtures. In the last year, TMILL's subsidiary ISL conducted business with more than 39 different cargo customers, of which 17 were new customers and 15 different commodities with coal being 56 per cent of volume of transported cargo, including its maiden venture of grain shipments from E C South America to China, which faced challenges due to market fluctuations.

New regulations from January 2023, exempting vessels of 20 years and above from trading in the Indian coast, compelled the Company to send MV ISL Star the vessel for recycling. Over the year, MV Subarnarekha performed well.

### Way Forward

TMILL is exploring synergies with Tata group companies and attempting to ensure its vessels have continuous cargoes from Tata Steel India, Tata Steel Europe and Tata Chemicals, while also attempting to collaborate with Tata Steel India on common shipping routes.

# Warehousing


### Approach

**The Indian warehousing industry has garnered significant attention recently, particularly from 3PL and e-commerce operators. Smart warehouses offer convenient and efficient services to global companies relocating to India, meeting their demand for services that adhere to international standards.**

This trend is driving the evolution of logistics into a specialised function, with changing customer expectations that now emphasise not only cost-effectiveness but also digitalisation for end-mile visibility.

### Key Initiatives

Since 2008, TMILL has been active in the industrial warehousing sector, steadily expanding its business to encompass the IM Section, Central Warehouse, and External Warehousing. The Company now manages a total of 20 warehousing contracts, generating a revenue of Rs 73 crores in FY'24. Additionally, TMILL has taken on the responsibility of parking management at Tata Steel's Meramandali location and oversees IM Section Management at both Ludhiana and Meramandali.

### Way Forward

TMILL intends to introduce customised solution-based offerings, furthering its digital transformation via a Centralized IT platform. It will collaborate with reliable business partners to develop infrastructure & technology, explore opportunities with Tata Group companies, and explore new businesses. In addition, it is assessing benefits from integrating all landside activities for FF, CHA, IL with warehousing to offer end-to-end bundled services, benchmarking its safety culture with industry standards, along with workforce capability building.

# Port Operations & Maritime Logistics Services

## Approach

**In the Union Budget 2023-24, the Government of India declared its intention to enhance coastal shipping and inland waterways as energy-efficient and cost-effective transportation options. As part of the Sagarmala Scheme, the Ministry of Ports, Shipping, and Waterways is partially funding 171 projects worth Rs. 10,960 crores across various coastal states and Union Territories.**

## Strategic Opportunities

TMILL's Ports, Maritime Logistics Services, and Inland Waterways division delivers cost-effective and eco-friendly solutions for bulk cargo transport. These verticals provide comprehensive services for dry bulk and break bulk cargo at Kolkata, Haldia, and Paradip Ports, with additional services at Kandla, Mumbai, Gangavaram, and Vizag Ports.

TMILL's strong foothold on the east coast of India allows it to capitalise on connectivity to the via rivers, offering strategic advantages to develop alternatives to road transport and enhance port capacities and berth utilisation. In addition, the Company can draw on its expertise as a terminal operator as well as in material handling to be at the forefront of Tata Steel Group's initiatives to expand this mode of transportation on both the eastern and western coasts of India.

**Existing Operations:** Located on the confluences of the Haldia and Hooghly rivers, Haldia Port provides connectivity to the deep sea downstream and the vast hinterland upstream. Among the largest ports on the east coast, Paradip is growing in importance as a cargo transit point on the eastern coast of India with its ongoing capacity expansion.

**Emerging Locations:** Subarnarekha Port located at the mouth of the Subarnarekha River in the Balasore district on Odisha's coast, is downstream along the same river from Jamshedpur, a key manufacturing site for Tata Steel, which underscores the importance of this port in TMILL's strategic mix.

## Performance Highlights

TMILL's Port Operations remains efficient and profitable and continuously upgrades its services, especially at Berth-13, including a railway siding, Mobile Harbour Cranes and expansion of the plot area to strengthen its operations.

## Strategic Challenges

Volumes at Berth #13 have reached their peak in recent years, with the existing storage area hitting its capacity. This has led to berthing delays due to insufficient stacking space, which could negatively impact TMILL's volumes. However, there is potential for a moderate increase in volume if additional storage area is made available.

In the long term, draft constraints pose a significant concern for the future prospects of Haldia. Additionally, an agreement between the port authority and a major commercial port operator for the mechanisation and upgradation of the Haldia Bulk Terminal may further limit TMILL's growth opportunities in the region.

## Key Initiatives

**Berth #13 at Haldia Port:** This facility crossed its highest ever volume in FY24, handling 2.36 MMT including 1.95 MMT of Dry Bulk and 0.42 MMT of Break Bulk. Of this, 0.238 MMT was import materials handled for Nepal. Among the many operational achievements at Haldia, were the highest-ever volume of non-Tata cargo handled, highest discharge rate, highest hook output per shift and for the first time, handling of Wood Pulp for a non-Tata customer.

**Paradip Port:** During the year, Paradip Port achieved its highest tonnage, including 11.04 million metric tonnes (MMT) handled by KICT, surpassing the previous high of 8.44 MMT in FY 23. November marked a peak month with a record volume of 1.03 MMT, exceeding the previous high of 0.98 MMT in June 23. In March 2024, the port also saw its highest export steel volumes at 0.117 million MT, alongside handling a record 289 rakes. As new business opportunities are explored, the Stevedoring License for the port will be renewed.

**Mechanisation and expansion projects:** System integration with its anchor customer (TSL) is intended to yield competitive advantages for TMILL. The Company aims to develop Paradip as a key port for its customers.

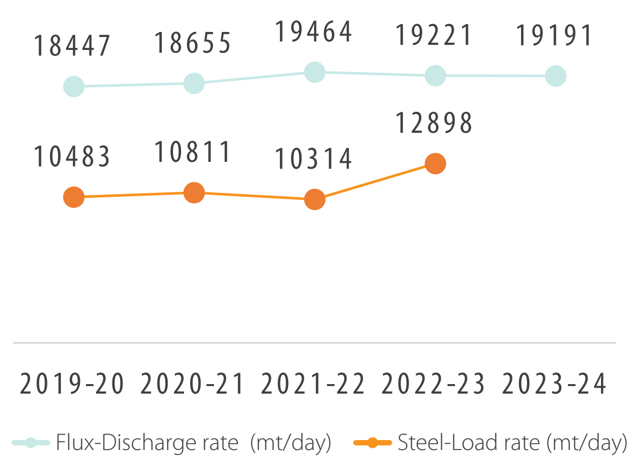
Preparatory work to develop the Subarnarekha Port began in 2019 with Tata Steel owning 51per cent stake in Subarnarekha Port Private Limited (SPPL). With its vast experience in operating terminals and multi-modal material handling capabilities, TMILL is well poised to take advantage of the growth in cargo volumes through these ports.

**Focused Business Development:** Both Tata Steel Group companies, NINL and TSML also use various port facilities along the eastern coast. TMILL aims to play a larger stevedoring and handling role in their material movement.

For the first time, the highest number of containers were stuffed at TMILL's yard in FY24 accounting for a total tonnage of 28,095 mt and 1286 containers. The cargo included Hot Rolled & Cold Rolled steel coils, Round Bars, TMT coils and Wire Rod Coils. TMILL has executed container shipments to very demanding markets such as Canada successfully.

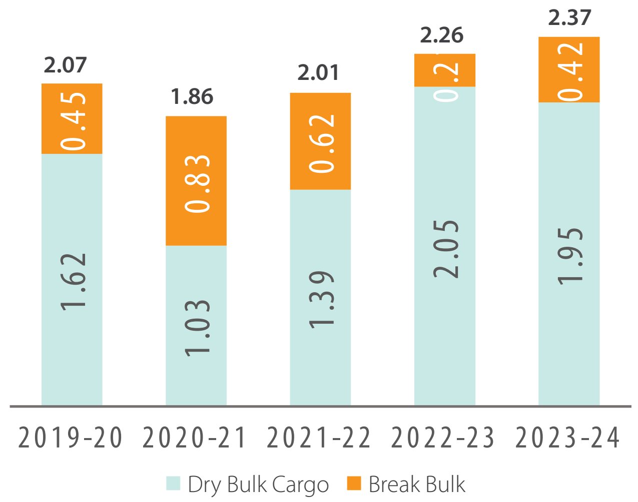
## Performance Highlights

### Berth #13 - Process Measures



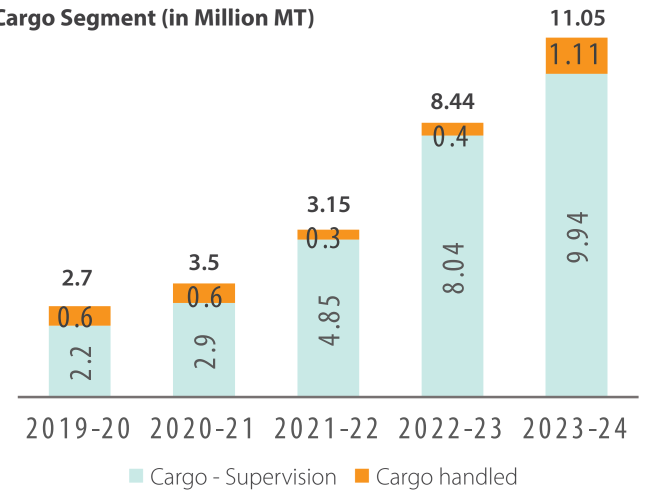

### Berth #13

**Cargo Segment (in Million MT)**




### Paradip Port

**Cargo Segment (in Million MT)**




## Way Forward

To expand its port services TMILL is evaluating the viability of a bagging facility at the port to extend its fertiliser handling services at Berth #13, along with offering other adjacencies such as container stuffing, 3rd party handling or stack & wagon covering. It is also assessing a proposed capacity expansion and repairs at Berth #13 to improve productivity with the draft at the port now showing an improving trend. capacity expansion of operations at Paradip port is also on the anvil with the support of potential partners, and initiatives based on past learnings. The Company is also focussing on developing its new Inland Waterways & Multimodal Logistics vertical.

# Integrated Logistics Services & CHAIL

## Approach

**Through its subsidiaries, TKM Global Germany, TKM Global China and TKM Global India, TMILL offers ancillary services for inbound and outbound logistics to customers, including exports and imports.**

**Inbound logistics comprise inland material movement via road of exports & imports to plants, while outbound logistics covers supply chain management for customers. Under its CHAIL Division, TMILL provides custom house agency & inland logistics services, primarily to Tata Steel & group companies.**

This includes a range of services such as classification of goods to ascertain duty, documentation processes, supervision of cargo handling, inland transportation, advisory services, record keeping, data management and the like.

This Division plays a key role in correct classification to avoid any litigation, reduction in cycle time for clearance, safe handling and minimising system costs for its customers.

## Strategic Opportunities

A key objective of TMILL is to partner Tata Steel through its growth plan of enhancing capacity from ~20 MnTPA to 40 MnTPA.

The Company is, therefore, shifting focus from centralised to decentralised business development so as to focus on adjacency growth. Integrated Logistics and CHAIL can bundle other services creating a high level of service flexibility along with ensuring compliance reliability. TMILL's overseas presence, in two of the largest exporting countries in the globe, ensures significantly high benefits via local knowledge and practices in addition to proximity to suppliers.

## Key Initiatives /Actions

The Company shared changes in customs rules & regulation with its target audience and pursued its ongoing digitisation plan to provide system generated reports to customers. It will allow auto reading of BoE data & analysis with the help of AI, online Tally sheet for real time update of cargo status, a real time dashboard for customer and end-to-end consignment tracking along with greater integration between Tata Steel as well as TMILL's IT systems.

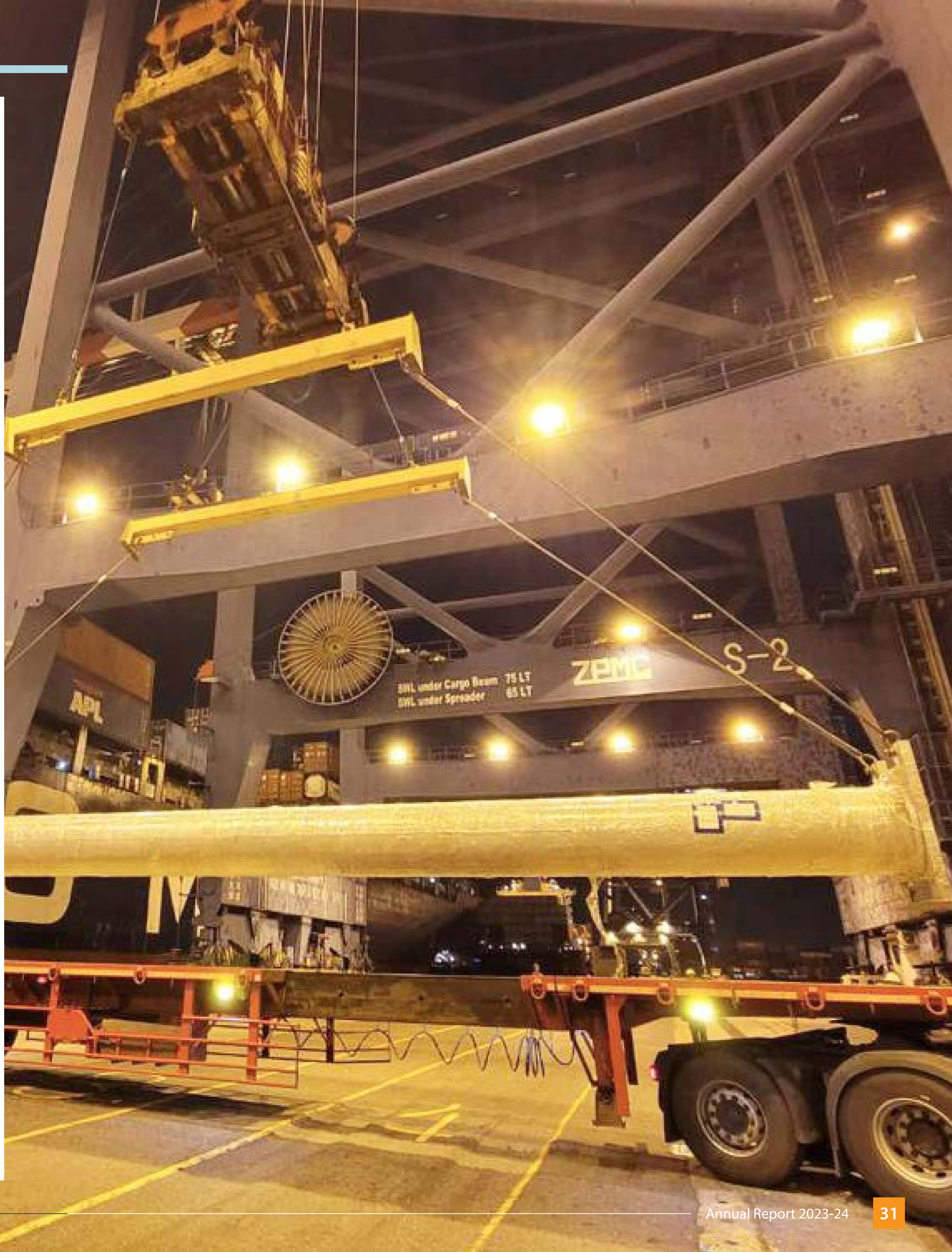
## Performance Highlights

TKM Global Logistics Ltd. was awarded the AEO-LO Status on 20 September 2023, which will ensure smooth customs clearance for AEO status holder importers. During the year, the Company settled 32 insurance claims for customers amounting to Rs 1.75 crores, obtained a customs refund of Rs 11.01 crores, including SAD Refund, Extra Duty, Duty Interest & Pre-deposits.

The team successfully ensured delivery of an urgent air consignment for the TSLP at plant in less than 24 hours of its arrival at the airport, which included Customs Clearance and inland transportation. Detention Free clearance of Refractory shipment of 14 TEUs ex Vizag to Jamshedpur was handled with a TAT of nine days, while detention free clearance of a Refractory shipment of 10 TEUs ex ICD, Jajpur (Carrier Haulage) to Jamshedpur was handled with a TAT of six days. TMILL has implemented the LOB application addressing all existing system areas as well as implementation of API for data sharing with Tata Steel's SAP.

## Way Forward

Digitisation will help the vertical improve its service offering to customers and enhance its internal capability along with ensuring Cost optimisation.



# Inland Waterways & Multimodal Logistics

## Approach

**TMILL formed a new vertical, Inland Waterways & Multimodal Logistics in FY'23, for waterway-based cross-border multimodal logistics, primarily to transport steel cargo to Tata Steel's customers in Tripura and other surrounding states in the north-east. It resulted in TMILL undertaking transit cargo movement to the north-eastern regions of India through Tripura as well as export shipments to Bangladesh.**

### Strategic Opportunities

With a new port due to be inaugurated at Sabroom in southern Tripura and a container liner service between Kolkata/Haldia & Pangaon/Mongla/Chittagong on the anvil, this business is expected to see significant expansions in volumes. The north-east market for Tata Steel's TMT bars is growing and hence movement from Haldia/ Kolkata to Agartala is likely to grow.

### Key Initiatives

An Annual Work Order was awarded to TMILL by Tata Steel for transport of TMT bars shipments through this river-based cross-border multimodal logistics modelto Agartala via Ashuganj, Bangladesh.

The Company sent six (6) shipments of TMT Bars for Tata Steel in FY 24 through the IBP route from Haldia via Ashuganj to Agartala. It also handled the first DI Pipe shipment of 525 mt to Bangladesh for Tata Steel via bargeshandling approx. 5,476 MT of TMT bars, including bending, handling & transportation of cargo to the consignee.

Apart from the movement to Tripura, export shipments to Bangladesh were performed for Tata International, JSPL, and Tata Steel Metallics Division; resulting in 8272 mt of volume being handled in FY'24.



# A Motivated Team

## Approach

**TMILL boasts a diverse team of seasoned professionals hailing from various disciplines, including engineering, finance, management, and logistics, each bringing a wealth of expertise to the table. The company's mission is to cultivate a meticulously organized, collaborative, and nurturing work environment for its employees. In this setting, TMILL seeks to embed core values such as customer intimacy, integrity, intensity, and pioneering spirit within its workforce.**

### Strategic Initiatives and Actions:

TMILL provides a well-structured, collaborative and supportive work environment with instilled values of customer intimacy, integrity, intensity and pioneering. The existing eco-system of the organization encourages engagement, productivity, health & safety and employee wellbeing. Focus is on employee happiness, the right work-life balance, adequately rewarding performance management system and a continuous work environment of learning, development and improvement. This is aligned with our HR strategy of delivering best-in-class HR services for having an engaged, empowered, energized and future ready workforce to partner business in the growth story. HR strategic plan is cascaded through TMILL Business Strategic Plan and annually HR ABP is cascaded through Business ABP.

During the past year, TMILL's HR department has been proactive in implementing several strategic initiatives aimed at enhancing workforce capability and satisfaction. Notable achievements include the onboarding of Management Trainees and Graduate Engineering Trainee through the Campus to Corporate Program (Project UDAAN). The company emphasized capability development to bridge skill gaps and enhance leadership skills, focusing on digitalization and entrepreneurial skills through programs like Digital Transformations and TTRANSCEND, a team coaching and mentoring initiative for senior leaders. Customized health check-up plans were tailored to different workforce segments based on age and gender. TMILL partnered with PeopleStrong to digitalize and streamline manual HR processes. The company maintained positive industrial relations with employee union representatives at the Ports and in Kolkata. Additionally, in FY 23-24 TMILL Group India achieved notable recognition in the industry. The company was honored as a 'Dream Company to Work for in the Logistics Sector' by the World HRD Congress. Additionally, TMILL was acknowledged for its significant HR excellence at the CII National HR Excellence Award. Furthermore, TMILL administered assessments for GPWT and received certification as a Great Place to Work, underscoring its commitment to fostering a positive workplace environment and employee satisfaction. These accolades highlight TMILL's continuous efforts and achievements in enhancing organizational culture and employee well-being.

### Talent Acquisition & Talent Retention

TMILL's hiring strategy prioritizes equal opportunity and social responsibility, focusing on local communities and specially abled group in our diverse geographies. We promote workforce diversity across competency, gender, and age. Talent acquisition occurs through two channels: Internally, the "Wings Within" program fills 20% of job requirements by encouraging current employees to apply for new positions. The "Dost Le Aao" referral program invites employees to refer candidates, and our career page supports internal recruitment & externally, we recruit through the Campus to Corporate (C2C) Program and job portals.

### Develop Employee Capabilities for futuristic readi-ness & growth

"Learn, unlearn, and relearn" encapsulates the essence of today's rapidly evolving environment, where staying adaptable to the organization's shifting needs while maintaining a sustainable growth trajectory and identity is paramount. TMILL fosters this adaptability through its robust Learning and Development (L&D) team, dedicated to both organizational and employee growth. Through a meticulous Training Needs Identification process, TMILL ensures each employee's skill development is timely and relevant.

TMILL invests in upskilling its workforce with a diverse array of training programs covering functional, technical, behavioral, compliance, and other essential competencies. Adhering to the 70:20:10 learning model, TMILL's approach integrates three key aspects: 70% on-the-job training, 20% coaching and support, and 10% formal classroom training. This comprehensive framework supports the development of employees at all levels, from leadership to FTCs, ensuring everyone is equipped to thrive in a dynamic organizational landscape. Training programs like Transformational Leadership, Emotional Intelligence, Material Management, and Warehouse Management are valuable additions to our skill set.

### Leadership Development

Leadership development through TTRANSCEND has facilitated team coaching and mentoring for senior leaders identified at Impact Level 1. This initiative aims to establish a structured succession plan for Level

1 leadership positions. Leaders attended capability building programs like FELT, 6 Thinking Hats & Situational and Transformational leadership programs.

### Building Organisational Capability

Enhancing Organisational Capability: Mid-management personnel underwent training in the Digital Transformation Certification Course which aimed at preparing them to collaborate effectively in the organisation's upcoming digital initiatives. Furthermore, senior leaders in Warehousing participated in the Warehouse Design & Management program by Tier-1 Management Institutes. Identified high-potential employees have been enrolled in individual development plans (IDP) featuring calibrated upskilling programs.

### Diversity & Inclusion

TMILL and its affiliated companies are dedicated to promoting workforce diversity, striving for equity across our systems, and nurturing an inclusive culture. Our goal is to cultivate a sense of belonging that unites individuals from diverse backgrounds, beliefs, and experiences, creating an environment where every person feels valued and collaborates towards achieving collective success.

Furthermore, we are committed to integrating individuals from all communities into our workforce. We are an equal opportunity employer, candidates are selected solely based on their suitability for roles, without any discrimination based on race, color, sex, religion, sexual orientation, national origin, disability, genetic information, pregnancy, or any other protected characteristic as defined by state or local laws.

### Digitisation Initiative

In TMILL's digital journey several measures under its digitisation program, including the adoption of the People Strong Human Resource Management System Platform to streamline and automate manual HR processes. Additionally, a Digital QR Scanner has been introduced to facilitate Training Feedback Surveys. Furthermore, employees have been provided with digital visiting cards as part of these initiatives.

### Employee Wellness

TMILL's primary focus continues to be employee's wellness and well-being. Customised and curated health check up plans were extended to the different workforce segments specific to age and gender. The Company also has in-house doctors for consultations and counseling for all employees.

### Rewards & Recognition

TMILL is dedicated to establishing a well-structured rewards and recognition program aimed at motivating and inspiring its employees. These programs are regularly updated to introduce innovation and ensure alignment with employee preferences. At TMILL's Annual Award Ceremony, 'Euphoria', long-serving employees are honored for their dedication and commitment to the organisation. Additionally, employees are recognised through initiatives like Suggestion Mela and Improvement Projects, where efforts are intended to encourage creativity, and innovation, and foster a culture of appreciation among employees.

## Performance Highlights

### Workforce Profile and Diversity

| | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 |
|---|---|---|---|---|---|
| Total On-roll Employee | 167 | 174 | 191 | 215 | 254 |
| Male Employees | 148 | 154 | 169 | 193 | 227 |
| Female Employees | 19 | 20 | 22 | 22 | 27 |

### Employee Productivity

| | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 |
|---|---|---|---|---|---|
| INR Millions | 27 | 32 | 43 | 38 | 41.6 |
| Attrition Rate | 4% | 4% | 6% | 4% | 6% |
| Wage Cost (% of Turnover) | 7% | 6% | 5% | 6% | 8% |

### Employee Productivity

| | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 |
|---|---|---|---|---|---|
| Training Hours per employee | 12 | 16 | 20 | 24 | 32 |

### Employee Engagement Scores

| | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 |
|---|---|---|---|---|---|
| Engagement Scores | NA | 54 | NA | 80 | NA |


# Our Communities

## Approach

**TMILL's CSR interventions cover four focus areas, Education & Employment, Infrastructure & Livelihood, Environment, Health & Well-being. The Company targets socially and economically challenges groups, especially Affirmative Action (AA) communities.**

## Key Initiatives and Actions

**Archery Training Centre:** By setting up archery training centres, TMILL is providing training to 100 girls in four blocks of Jharkhand with the objective of training and empowering them to become economically self-reliant via alternate livelihood avenues.

Almost the entire population of girl students in the Kasturba Gandhi Balika Vidhalaya (KGBVs), residential girls' secondary school established by the Government of India, are from severely underprivileged AA communities. Though these girls possess a natural flair for archery, they require support in honing their talent and leveraging it to become socially and economically self-reliant. TMILL took a cue from well-proven outcomes of the intervention undertaken by Tata group company ISWP to, in March 2023, establish three archery training centers, one each at the Ghatshila, Musaboni and Sundernagar KGBV Schools. All centres have been adequately furnished with training equipment and have been provided trainers. Currently, 100 students, from four blocks viz Jamshedpur, Bahragora, Musaboni and Ghatshila in Jharkhand, have enrolled themselves for the training programme.

**Conserving the Sundarbans:** The Indian Sundarbans are home to over 4.5 million inhabitants, with the majority of its population relying on mangroves for a living. Habitat rehabilitation measures to maintain Sundarbans mangroves include afforestation with fast-growing and indigenous species.

## Flagship Programmes of TMILL & TKM India

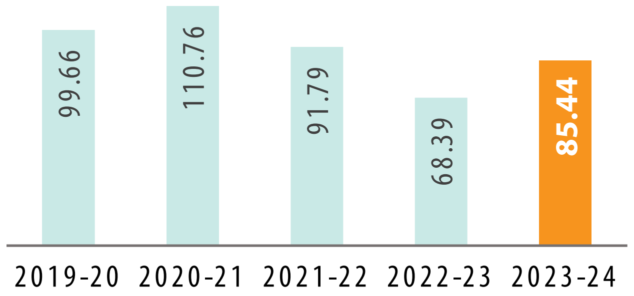
In FY'24, TMILL's CSR initiatives impacted 25,645 lives with a total CSR spend of INR 63.21 Lacs. The girls from the Archery Training Centres have achieved success at the block as well as district levels. Recently, the Company received the Best Practices Award for giving wings to "Aspiring Tribal Girl Archers at the TAAP Convention".

The Company planted 25,786 saplings at Kumirmari village in the Sundarbans. The initiative is aligned with UNSDG13 Climate Action, UNSDG14 Life Below Water, UNSDG15 Life on Land and UNSDG11 Sustainable Cities and Communities.

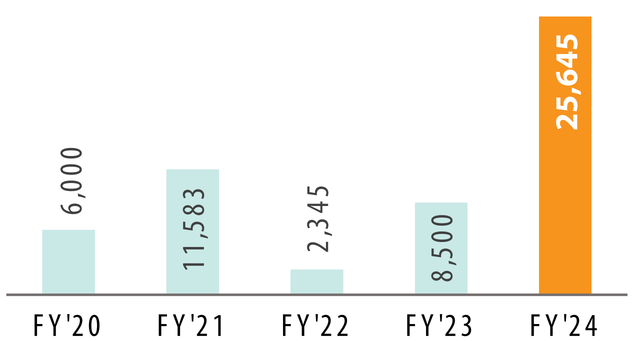
In FY'24, the per capita volunteering hours (PCVH) for TMILL & TKM India was 3.21. The target for FY'25 is 4.00.

PCVH is determined on the basis of Total volunteering hours of the company during the year / Total employee strength of the company during the year. TMILL considered only permanent employees is calculating its PCVH.

**CSR Spend (TMILL)** *(INR in Lakhs)*




**Lives Touched (TMILL)**
*(Number of Beneficiaries)*




# Sustainability

**Approach**

**TMILL undertakes conscious efforts to drive sustainability from a strategic perspective by adopting enabling actions and strategic priorities for growth, which includes "Leadership in sustainable practices." TMILL Group shall be net zero on or before 2045.**

Environmental Aspect Impact Management in TMILL is guided by its Environment Policy which has been standardised w.r.t ISO 140001:2015. TMILL recently engaged with an SME of Environmental Studies to identify the EAI of all activities performed by each business and functional units of the organisation. The activities have been analysed w.r.t historical conditions, existing conditions and future conditions to identify the Environmental aspects.

## Strategic Opportunities and Risks

Future supply chain requirements of key customers demand a reduction in Scope 3 emissions at a certain percentage emission level. Coastal and inland waterways along with rakes will be developed as a risk mitigation measure to maintain sustainability targets by key customers including TSL.

The potential upside for developing infrastructure and managing Tata Steel's raw material supply chain is that it will undergo a transformation in line with the desired targets for FY2035. This will include an intermodal mix comprising railways, sea, road and pipeline movement.

TMILL will directly benefit from developing opportunities in coastal and inland waterways with time charter ship options. Also, the increase in GPWIS and SFTO with newer designs in unloading infrastructure will cater to covered transportation and storage.

However, potential risks from these changes are the likely long-term drop in coal usage impacting volumes in TMILL's port operations and partly GPWIS. Further, non-adherence to Tata Steel's Supply Chain Policy with special emphasis on environmental aspects, could adversely impact TMILL's share of business.

ISL is actively considering sustainable initiatives through interventions to control oil pollution, avoid ballasting operation, Sulphur content compliance with fuel and Ballast water management.

In addition, each unit is addressing transactional upsides on financials through sustainability aspects. TMILL's focus on Railways for movement of cargo will reduce carbon emission as compared to roadways. An increase in the carrying capacity of rakes, by converting them into 25T axle loads, will also reduce the number of trips, fuel consumption and carbon emission. In its Port operations, TMILL is focusing on reduction of its Electricity consumption per tonne of cargo and usage of solar power.

The Shipping Business is exploring Voyage optimisation initiatives, Energy conservation and awareness, Targeted Carbon Intensity Indicator Numbers and the like, while the Warehouse vertical is assessing Battery operated equipment and replacement of current motor vehicles with e-vehicles.

Conversion of existing GPWIS rakes of TMILL from 22.9 MT to 25 MT axle load capacity increased the asset efficiency by enabling it to carry 10 per cent more volume of cargo reducing the overall trip requirements and thus reducing the fuel & electricity consumption by Railway.

TMILL's advent into the Inland Waterways business is primarily a strategic move towards green and sustainable supply chain. Inland Waterways is the most environmental friendly mode of logistics across the country with the highest per MT savings over Road and Rail movements.

## Key Initiatives

The Company conducted a Greenhouse gas (GHG) Baselining study in FY'23. Based on the study a draft GHG Management Plan was prepared, setting a near-term target of 23 per cent emission intensity reduction for the period FY'30-31 for the TMILL Group as a whole.

In addition, a Materiality Study completed in February'24 enabled TMILL to identify and prioritise the most significant environmental, social, and governance (ESG) issues for the organization. The materiality exercise was carried out through peer benchmarking and by engaging various stakeholders. The outcome of the materiality mapping resulted in 10 high-priority material attributes for the organization.

In March'24, the Company initiated the process of developing a comprehensive ESG Framework by analysing the gaps in NGRBC principles, revisited its policy framework, and identified KPIs against each of the top ESG attributes.

# Board of Directors
## of TMILL Group of Companies
**(As on 25th April, 2024)**

**Mr. Peeyush Gupta**
*Chairman - TMILL*

**Mr. Dinesh Shastri**
*Managing Director – TMILL*
*Chairman – TKM India & ISL*
*Director- TKM China*

**Mr. Guenther Hahn**
*Director –TMILL & ISL*

**Ms. Stephanie Sabrina Hahn**
*Director –TMILL*

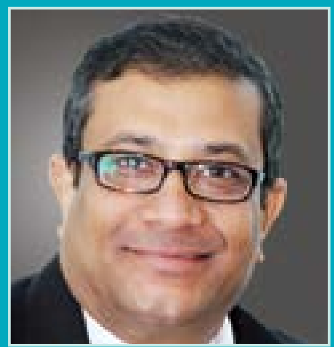
**Capt. Sandeep Chawla**
*Director –TMILL*

**Mr. Nobuaki Sumida**
*Director –TMILL*

**Mr. Virendra Sinha**
*Director –TMILL, TKM India & ISL*

**Mr. Amitabh Panda**
*Director –TMILL*

**Mr. Subodh Pandey**
*Director – TMILL*



**Mr. Dibyendu Dutta**
*Director –TMILL & ISL*

# Board of Directors
## of TMILL Group of Companies
**(As on 25th April, 2024)**

**Mr. Amar Patnaik**
*Managing Director- TKM GmbH*
*Director – TKM China & TKM India*

**Mr. Nandan Nandi**
*Director- TKM India, ISL & TKM China*

**Captain Som Sekhar Mishra**
*Director & CEO – ISL*

**ABBREVIATIONS**

TMILL – TM INTERNATIONAL LOGISTICS LIMITED
TKM INDIA – TKM GLOBAL LOGISTICS LTD
ISL – INTERNATIONAL SHIPPING & LOGISTICS FZE, DUBAI
TKM GmbH – TKM GLOBAL GmbH
TKM CHINA – TKM GLOBAL CHINA LTD.

# NOTES

# TM International Logistics Limited

## Standalone Financial Statements

Statutory Reports & Financial Statements

# CORPORATE INFORMATION

### Board of Directors
Mr. Peeyush Gupta (Chairman)
Mr. Dinesh Shastri ( Managing Director)
Mr. Virendra Sinha (Independent Director)

### Non-Executive Directors
Mr. Guenther Hahn
Ms. Stephanie Sabrina Hahn
Mr. Nobuaki Sumida
Capt. Sandeep Chawla
Mr. Amitabh Panda
Mr. Subodh Pandey
Mr. Dibyendu Dutta

### Committee of Directors

### Audit Committee
Mr. Virendra Sinha (Chairman)
Mr. Guenther Hahn (Member)
Mr. Dibyendu Dutta (Member)

### Nomination and Remuneration Committee
Mr. Virendra Sinha (Chairman)
Mr. Peeyush Gupta (Member)
Mr. Guenther Hahn (Member)

### Corporate Social Responsibility Committee
Mr. Virendra Sinha (Chairman)
Mr. Dinesh Shastri (Member)
Capt. Sandeep Chawla (Member)

### Management Team
Mr. Nandan Nandi, Chief Financial Officer
Ms. Jyoti Purohit, Company Secretary, Legal & Ethics Counsellor
Mr. Anurag Garg, VP (Railway Business)
Mr. Devdipta Samanta, VP-Ports, Inland Waterways & MLS
Ms. Shabana Khan, Chief-Human Resource Officer
Mr. Amit Kumar Sau, Chief-Fin Planning & Corp Finance

### Statutory Auditors
Price Waterhouse & Co. Chartered Accountants LLP
Plot No. 56 & 57, Block –DN, Sector V,
Saltlake, Kolkata- 700091

### Bankers
State Bank of India
HDFC Bank
ICICI Bank
Kotak Mahindra Bank

### Registered Office
Tata Centre
43, Jawaharlal Nehru Road
Kolkata- 700071

### Corporate Office
7th Floor, Infinity IT Lagoon,
Plot E 2-2/1, Block EP & GP,
Sector – V, Salt Lake,
Kolkata – 700 091
Tel- 91-33-68286000

### Corporate Identification Number (CIN)
U63090WB2002PLC094134





## TM INTERNATIONAL LOGISTICS LIMITED
# DIRECTORS' REPORT

*CIN – U63090WB2002PLC094134*

*TO THE MEMBERS,*

The Directors present the Twenty Second Annual Report of TM International Logistics Limited on the business and operations of the Company together with the Audited Statement of Accounts for the year ended 31st March 2024.

### A. FINANCIAL HIGHLIGHTS

**(Rs in crores)**

| Sl No. | Particulars | Standalone | | Consolidated | |
|---|---|---|---|---|---|
| | | 2023-24 | 2022-23 | 2023-24 | 2022-23 |
| (a) | Total Income | 1,274.96 | 779.78 | 1,726.61 | 1,477.61 |
| (b) | Less: Operating and Administrative Expenses | 857.38 | 613.00 | 1,481.68 | 1,258.67 |
| (c) | Profit before interest, depreciation and taxes | 417.58 | 166.78 | 244.93 | 218.94 |
| (d) | Less: Depreciation | 120.20 | 84.51 | 148.36 | 106.99 |
| (e) | Less: Interest | 44.78 | 19.86 | 46.17 | 20.62 |
| (f) | **Profit before taxes (PBT)** | **252.60** | **62.41** | **50.40** | **91.33** |
| (g) | Less: Taxes (including deferred taxes) | 8.41 | 7.62 | 16.15 | 11.33 |
| (h) | **Profit after taxes (PAT)** | **244.19** | **54.79** | **34.25** | **80.00** |
| | **Net Profit carried to Balance Sheet** | **243.18** | **55.19** | **38.06** | **116.77** |

#### Interim Dividend

During the financial year 2023-24, in accordance with the provisions of Section 123 of the Companies Act 2013, the Board of Directors in their meeting held on 27th March 2024, had declared an interim dividend at the rate of 1000% i.e., Rs.100/- per share on 1.8 crore Equity Shares of Rs. 10/- each amounting to Rs. 180 crores (Rupees One hundred and eighty crores only).

#### Transfer to reserves

The Company has not transferred any amount to Reserves for the financial year ended 31st March 2024.

### B. OPERATION AND PERFORMANCE

Key operational highlights and achievements of each business vertical along with the details on Information Technology & Safety has been included as an annexure. ***(Refer Annexure 1-Report on Operations, Information Technology, Environment, Health and Safety & Quality Initiatives).***

### C. KEY DEVELOPMENTS & SUSTAINABILITY

**1. Corporate Social Responsibility (CSR)**

At TMILL, we believe that true success goes beyond financial metrics and it's about making a positive impact on society and the environment. Our CSR programs are aimed to be relevant to the communities in and around our areas of operations and influence. The CSR policy of the company prepared in line with the Companies Act, 2013 and Tata Steel group norms, is available on company's website ***https://www.tmilltd.com/finance-policies/company-policies.aspx***

The CSR projects of TMILL are spread across four focus areas as identified - Health & Hygiene of the communities; Improving the Quality of Education, Skill Development & related infrastructural support; Employability Improvement & Sustainable Livelihood by improving related infrastructure and Environmental Sustainability. TMILL does partner with various NGOs & Social Organizations for effective implementation of the initiatives and interventions and does monitor the effectiveness.

**Key initiatives/updates of the year are as under :**

- In FY'24, TMILL through its CSR initiatives have impacted 25,645 lives. The total amount spent towards CSR in FY'24 was Rs. 63.21 lacs.
- Archery training centres have been established, where training is provided to 100 girls from SC / ST community of KGBV schools, in three blocks of Jharkhand, viz. Sundarnagar, Musabani and Ghatshila. The girls have achieved success at block as well as district levels. Recently, TMILL has received the Best Practices Award for giving wings for "Aspiring Tribal Girl Archers at the TAAP Convention".
- Initiative has been taken to plant Mangroves at Sundarbans as a step towards a Greener future. In FY'24, TMILL planted 25,786 saplings at Kumirmari village, Sundarbans. The initiative is aligned to UNSDG13 Climate Action, UNSDG14 Life below Water, UNSDG15 Life on Land and UNSDG11 Sustainable Cities and Communities.

The annual report on CSR is prepared in adherence to Section 135 of the Companies Act and the Rules thereunder is annexed. ***(Refer Annexure 2- Annual Report on CSR).***

**2. Sustainability**

At TMILL, we aim to reduce environmental impact, promote social equity and ensure economic resilience. Through transparent reporting, proactive risk management, and ongoing stakeholder engagement, we aim to demonstrate our dedication to sustainability and drive meaningful progress towards a more sustainable future. Our Board is fully aligned with this vision and remains steadfast in its support of initiatives that promote sustainability, uphold ethical standards, and create shared value for all stakeholders.

Few key highlights for the year under review are as under:

- We have conducted Greenhouse Gas (GHG) Baselining study for the reporting year FY'22-23. A draft GHG Management Plan was subsequently prepared, where the near-term target of 23% emission intensity reduction has been set for the period FY'2030-31, for TMILL Group as a whole.
- A thorough Materiality study was conducted in February'24 to identify and prioritize the most significant environmental, social, and governance (ESG) issues for the organization. The materiality exercise was carried out through peer benchmarking and by engaging various stakeholders. The outcome of the materiality mapping resulted in 10 high priority material attributes for the organization.
- From March'24, the process of developing a comprehensive ESG Framework has been initiated through analysing the gaps w.r.t., NGRBC principles, revisiting on the policy framework and identifying the KPIs against each of the top ESG attributes.

**3. Environment, Health and Safety (EHS)**

Updates on Environment, Health and Safety for the year under review is included as an Annexure to this report. ***(Refer Annexure 1- Report on Operations, Information Technology, Environment, Health and Safety & Quality Initiatives)***

**4. Human Resource Management & Industrial Relations**

The company has a diverse and inclusive workforce. In FY' 24, TMILL Group had a total strength of over 2200, with a diverse mix of on-roll employees, FTCs (Fixed Term Contract), Off-Rolls (Associate) and contractual employees across various locations and businesses. The Company maintained cordial industrial relations with the representatives of the Union of employees at the Ports and at Kolkata. During the year, TMILL group has been able to sustain the Employee Engagement Survey of 80% and Employee Retention Score of 94 -95%. Some of the key initiatives by HR during the year are:

| Functions | Initiatives |
|---|---|
| **Talent Acquisition & Development** | **Project Udaan:** Campus to Corporate – GET/ GT/MTs Hired to help develop leadership pipeline from Xavier Institute of Management Bhubaneswar, Praxis & Gati Shakti |
| | Leadership Development **TTRANSCEND:** Team Coaching & Mentoring for identified Senior Leaders at L1 & L2 in collaboration with AKSI Consultancy for a structured succession planning for L1. |
| **Policy & Processes** | Several new HR Policies & Processes implemented during the FY 23-24 |
| | **Performance Management System Effectiveness** - Sustaining **90%** and above score y-o-y in PMS Effectiveness Survey with 119 participants for FY 23 |
| **Employee Wellness** | 99.99% participation in Annual Health Check-up |
| | Customized Check-up Plans with respect to age and gender |
| **HR Digitalization** | Launched **People Strong Human Resource Management System Platform** to digitalize and integrate the manual HR processes |
| | Digital QR Scanner for Training Feedback Survey |
| | e-Visiting Cards launched for employees |
| **Key Learning & Development Interventions** | Digital Transformation Certification Course by Indian School of Business – Group of mid-management employees identified and trained under this program to partner the organization in digital developments |
| | Warehouse Design & Management by Indian Institute of Management Ahmedabad – attended by Chief Warehousing |
| **Employer Branding** | Glassdoor score at 3.5/5 |

**Awards and Accolades :**

- TMILL Group India has been awarded as a **Dream Companies to Work for – Logistics Sector'** by the World HRD Congress.
- The Company has been positioned in band 501-600 acknowledging **Significant Achievement in HR Excellence** by CII National HR excellence Award.
- During the year'24, TMILL has also administered assessment for GPTW and has been certified & recognized as a **Great Place to Work.**

**5. Quality Initiative**

Details of Quality Initiatives undertaken during the year under review is included as an Annexure to this report. ***(Refer Annexure 1- Report on Operations, Information Technology, Environment, Health and Safety & Quality Initiatives)***

## D. CORPORATE GOVERNANCE

As part of the Tata Group, TMILL places strong emphasis on Corporate Governance. The Company is committed to maintaining a high standard of corporate governance practices and procedures. It believes that good corporate governance practices are essential for enhancing shareholders' value and in carrying on business, imbibing the principles of trusteeship, empowerment, innovation, corporate social responsibility, transparency and ethical practices.

In view of the above, the Company has adopted various policies such as Nomination & Remuneration Policy, Whistle Blower Policy for employees & vendors, Risk Management Policy, Corporate Social Responsibility Policy, Prevention of Sexual Harassment at Workplace Policy (Gender Neutral), Anti Money Laundering/ Counter Terrorist Financing / Know Your Customer Policy, Anti Bribery and Anti-Corruption Policy(even if the same is not mandatorily required under the Companies Act 2013), thereby setting the foundation for good corporate governance at the core of all its business transactions and processes. Adoption and adherence to the Tata Code of Conduct further strengthens Company's philosophy on Corporate Governance. Report on the matters of Corporate Governance an Annexure to this report. ***(Refer Annexure 3- Corporate Governance Report)***

**1. Board of Directors and their meetings**

As on 31st March, 2024, the Board comprised of 10 (ten) Directors, out of which 1 (one) is Independent Director, 8 (eight) are Non-Executive Director (including one Women Director) and 1 (one) is Executive Director. None of the Directors of the Company are disqualified under Section 164 of the Companies Act, 2013.

Details of appointment/ cessation of Directors and re-appointment of Directors retiring by rotation during the period under review, till the preparation of Director's Report, and declaration of independent director in accordance with the provisions of the law has been included in the Corporate Governance Report. ***(Refer Annexure 3- Corporate Governance Report)***

**Meetings of the Board -** The Board met 6 (six) times during the year under review. The intervening gap between the meetings was within the period prescribed under the Act and notifications issued by the Ministry of Corporate Affairs from time to time.

**2. Committees of the Board and their meetings**

The Committees constituted by the Board of Directors are viz., Audit & Risk Review Committee, Nomination & Remuneration Committee, Corporate Social Responsibility & Sustainability Committee.

**a. Audit & Risk Review Committee**

TMILL being a Joint Venture Company is exempted from having an Independent Director and hence formation of an Audit Committee is not mandatory, still the same has been duly constituted. The primary objective of the Committee is monitoring and supervising the Management's financial reporting process to ensure accurate and timely disclosures with highest levels of transparency, integrity and quality of financial reporting. The Committee met 4 (four) times during the year under review.

During the financial year, there has been no instance where the Board has not accepted any recommendation of the Committee.

**b. Nomination & Remuneration Committee (NRC)**

For TMILL, formation of a NRC is not mandatory, still the same has been duly constituted. The primary objective of the Committee is to recommend the appointment of Directors, conduct an effective evaluation of performance of Board, its committees and individual Directors and recommend to the Board a policy, relating to the remuneration for the Directors, key managerial personnel and other employees. The Committee met 2 (Two) times during the year under review.

During the financial year, there has been no instance where the Board has not accepted any recommendation of the Committee.

**c. Corporate Social Responsibility (CSR) & Sustainability Committee**

In compliance with the relevant provisions of the Companies Act, 2013 and the rules made thereunder, TMILL has constituted a CSR & Sustainability Committee. The Company has a well-defined CSR Policy approved by the Board of Directors on October 28, 2014 and last revised on October 27, 2021. The Committee met 2 (Two) times during the year under review.

The policy is available on company's website ***https://www.tmilltd.com/finance-policies/company-policies.aspx***

Details of composition of the Board, its Committees and their meetings held during the year under review are given in the Corporate Governance Report. ***(Refer Annexure 3- Corporate Governance Report).***

**3. Board Evaluation**

During the year under review, the evaluation process was carried out for the Board, its various Committees and individual Directors, in accordance with the Nomination and Remuneration Policy adopted by the Company. The details of evaluation process have been included in the Corporate Governance Report. ***(Refer Annexure 3- Corporate Governance Report)***

4. **Key Managerial Personnel**
Pursuant to Section 203 of the Companies Act, 2013, the Key Managerial Personnel of the Company as on 31st March 2024 are Mr. Dinesh Shastri - Managing Director, Mr. Nandan Nandi - Chief Financial Officer and Ms. Jyoti Purohit - Company Secretary & Legal and Ethics Counsellor.

5. **Directors' Responsibility Statement**
Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory auditors and external consultant(s), including audit of internal financial controls over financial reporting by the statutory auditors and the reviews performed by Management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2023-24. Accordingly, pursuant to Section 134(3)(c) & 134(5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, confirm having:

- followed in the preparation of the Annual Accounts, the applicable accounting standards and that there are no material departures;
- selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of financial year and of the profit of the Company for that period;
- taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- prepared the Annual Accounts on a going concern basis; and
- devised proper systems to ensure compliance with the provisions of all applicable laws and the same are adequate and operating effectively.

6. **Auditors**

**(i) Statutory Auditors & Audit Report**
The Auditors of the Company, M/s Price Waterhouse & Co. Chartered Accountants LLP, Kolkata, were re- appointed for another term of 5 years in 20th AGM held in the year 2022 to hold office upto the conclusion of the 25th Annual General Meeting of the Company to be held in the year 2027. In line with the Companies Amendment Act 2017 , which has omitted the provision relating to annual ratification of appointment of Statutory Auditors by members in Annual General Meeting, only a confirmation letter has been obtained from them confirming that they are eligible to continue as the Statutory Auditors of the Company.

No qualification, reservation or adverse remark or disclaimer have been made by the Auditor's in their report.

**(ii) Re- appointment of Secretarial Auditors and Secretarial Audit Report**
In pursuant to the provisions of Section 204 of the Companies Act 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company is required to appoint a Secretarial Auditor. In line with the same, on approval of the Board of Directors, M/s. D. Dutt & Co., Practising Company Secretaries has been re-appointed to undertake Secretarial Audit for the financial year ended 31st March, 2024. The Secretarial Audit Report is enclosed as an annexure. ***(Refer Annexure 4- Secretarial Audit Report)***

The Secretarial Audit report for the year ended 31st March, 2023 has been filed with Ministry of Corporate Affairs, under cover of AOC-4 XBRL of Annual Report on 2nd August, 2023.

No qualification, reservation or adverse remark or disclaimer have been made by the Secretarial Auditor in their report.

**(iii) Re-appointment of Cost Auditors and Cost Audit Report**
Pursuant to the provisions of Rule 3 (B) 7 of the Companies (Cost Records & Audit) Amendment Rules 2014, Berth#13 at Haldia falls under the purview of Cost Audit. In line with the same, the Board of Directors of the Company has on the recommendation of the Audit & Risk Review Committee, approved the re-appointment of M/s Mani & Co. as the cost auditors of the Company (Firm Registration No. 000004) in order to conduct the Cost Audit for FY 2024-25.

The cost audit report for the year ended 31st March, 2023 has been filed with Ministry of Corporate Affairs, under cover of Form CRA 4 on 10th August, 2023.

**(iv) Significant and Material Orders passed by the Regulators or Courts**
There have been no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and the Company's future operations. However, members' attention is drawn to the statement on contingent liabilities, commitments in the notes forming part of the Financial Statements.

**(v) Particulars of Loans, Guarantees or Investments**
The particulars of loans, guarantees or investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the financial statement.

**(vi) Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo**
Details of energy conservation, technology absorption and foreign exchange earnings and outgo are part of the Corporate Governance Report. ***(Refer Annexure 3- Corporate Governance Report).***

**(vii) Deposits**
The Company has not accepted any deposits from the public/ members under Section 73 of the Act read with Companies (Acceptance of Deposits) Rules, 2014 during the financial year. Further, no amount on account of principal or interest on deposits from public was outstanding as on the date of the balance sheet.

**(viii) Related Party Transactions**
During the financial year, all contracts or arrangements entered into by the Company with the related parties as referred in Section 188 (1) of the Act were on arm's length basis and in the ordinary course of business. The disclosures of material transactions as required under Section 134 of the Companies Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014, relating to contracts or arrangements entered by the Company with related parties referred to in Section 188 (1) of the Act are provided in Form AOC-2.

Tata Steel Limited being the major shareholder in TMILL, details of all contracts between TMILL and TSL for the FY 23-24 are provided in Form AOC-2. ***(Refer Annexure 5).***

**(ix) Compliance Management Software**
TMILL is required to meet various statutory and regulatory compliances to avoid legal impediments and to enable smooth execution & monitoring of all the applicable compliances. The task of such compliances becomes more convenient if an alert and control mechanism with knowledge depository is at place along with continual update facility. Until May 2023, the Company was using the compliance Management software named 'Legatrix'. From June 2023 onwards, we transited into a new software from E&Y. The entire transition process was completed in FY'23-24 and the new system got implemented from 1st June, 2023. Legatrix System has been discontinued from 1st July 2023. As on 31st March, 2024, Nil non-compliance has been reported in the company.

Details on the steps taken for implementation of the software has been included as an annexure. ***(Refer Annexure 3- Corporate Governance Report)***

**(x) Extract of Annual Return**
The Extract of the Annual Return under cover of Form MGT 9, as per the provisions of Section 92(3) & Section 134 (3) of the Companies Act 2013 read with Rule 12 of Companies (Management & Administration) Rules, 2014, has been uploaded on the website of TMILL - ***https://www.tmilltd.com/finance-policies/key-financials.aspx.***

**(xi) Ethics**
The Company has adopted Tata Code of Conduct 2013 approved by the Board of Directors. In line with the same, various policies have also been implemented such as Whistle Blower Policy for employees & vendors, Gift & Hospitality Policy, Conflict of Interest Policy and POSH. During the year under review, all employees, directors and contractors/vendors have acknowledged their adherence to Tata Code of Conduct and the related policies.

In FY'23-24, the Company undertook several initiatives to create awareness amongst internal stakeholders and external stakeholders about the Tata Code of Conduct, its related polices and other ethical practices of the Company – Details included as part of Corporate Governance Report. ***(Refer Annexure 3- Corporate Governance Report)***

The Code along with the abovementioned policies is available on our website at ***http://www.tmilltd.com/finance-policies/company-policies.aspx***

**(xii) Vigil Mechanism**

The Company has in place Whistle Blower Policy for Directors & Employees and Whistle Blower Policy for Vendors. Various channels of reporting concerns are available as part of the vigil mechanism comprising of Third party helpline numbers, e-mail id, post box other than the internal channels of reporting. This provides a formal channel for the Directors, employees and vendors to approach the Ethics Counsellor/Chairman of the Audit Committee and make protective disclosures about the unethical behaviour, actual or suspected fraud or violation of the Tata Code of Conduct ('TCoC'). Any incidents that are reported are investigated in an impartial manner and suitable action is taken in line with the Whistle Blower Policy to ensure that the requisite standards of professional and ethical conduct are always upheld. During the year under review, the Company did not receive any whistle-blower complaints which would materially impact the company in any manner. The abovementioned Policy is available on our website at ***http://www.tmilltd.com/finance-policies/company-policies.aspx***

**(xiii) Disclosure as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**
The Company has zero tolerance for sexual harassment at workplace. The Company has adopted a Policy on prevention,

prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules framed thereunder and in line with the POSH policy for Tata Steel Group Companies, on 8th February 2018. The internal complaints committee was reconstituted during the year to take care of the members who had resigned from the services of the Company. The Chairman of the committee got certified on the Law against Sexual Harassment at workplace. The committee members attended the workshop on POSH (Complaint redressal process), conducted by the NGO partner newly on-boarded during the year. All newly on-boarded employees undergo mandatory POSH training as part of their induction process. HR team periodically conducts awareness sessions for all workforce segments. There has been one case of sexual harassment within the contractual workforce group reported during the year, enquiry process is work in progress.

**(xiv) Subsidiary Companies**

The statement pursuant to Section 129(3) of the Companies Act, 2013 and the relevant rules in respect of the subsidiaries of the Company viz. International Shipping and Logistics FZE, Dubai and TKM Group, (i.e. TKM Global Logistics Limited, TKM Global GmbH, Germany, TKM Global China Ltd., China), has been included as an Annexure to the report in Form AOC-1. ***(Refer Annexure 6- AOC 1)***

Also, separate Directors' Report on each of the above mentioned subsidiaries, forms part of the Annual Report.

**(xv) Secretarial Standards**

The Company has in place proper systems to ensure compliance with the provisions of the applicable secretarial standards issued by The Institute of Company Secretaries of India and such systems are adequate and operating effectively.

## E. Risk Management Policy

TMILL follows Enterprise Risk Management (ERM) structure for management of Risks which is guided by the ERM framework of TSL. The company has also adopted the Risk Management policy. TMILL constantly updates its risk register which is also discussed in the Audit Committee Meetings. The updated risk register of TMILL group is in alignment with recent changes introduced in TSL ERM context. The Company has also developed mitigation strategies for all the Risks. These are reviewed by top management on periodical basis and shared with the Board of Directors. ISL has developed a Risk matrix which is reviewed on periodical basis.

## F. Internal Financial Control, System & their Adequacy

As required under Section 134(3)(q) of the Companies Act 2013 read with Rule 8(5)(viii) of Companies (Accounts) Rules, 2014 and the guidance note issued by the Institute of Chartered Accountants of India, the Company has adopted and implemented Internal Control over Financial Reporting (ICOFR) which commensurate with the size, scale and complexity of the Company's business. The Company confirms having the following in place:

- an Internal Audit System whose reports are reviewed by the Audit & Risk Review Committee;
- orderly and efficient conduct of Company's Business, including adherence to Company's policies;
- procedures to safeguard Company's assets;
- procedures to prevent and detect frauds and errors,
- accuracy and completeness of the accounting records.

## G. Internal Audit

In TMILL, Internal Audit function is in-house and Internal Audit reports are reviewed by Audit Committee on a quarterly basis. Internal Audit is conducted based on Audit Plan approved by management and Audit Committee at the beginning of every financial year. Internal Auditor primarily reports to Audit Committee with a dotted line reporting to Managing Director. There is defined Internal Audit process which is vetted by Audit Committee and diligently followed by Internal Auditor while conducting periodic reviews.

## H. Acknowledgement

The Company maintained cordial relationship with Port Officials at Haldia and Paradip, Customs Authorities, Banks and other government agencies including various tax authorities. The Directors acknowledge with gratitude the support extended by Tata Steel Limited, IQ Martrade Holding Und Management GmbH and NYK Holding (Europe) B.V. The Directors are also thankful to the Government of India, Board of Trustees of Kolkata and Paradip Port and other State and Central Government Agencies, Reserve Bank of India, State Bank of India, HDFC Bank, ICICI Bank, Axis Bank, Kotak Mahindra Bank, the union, the employees of the Company, and other business associates for their continued support.

For and on behalf of the Board of Directors

**Peeyush Gupta**
**Chairman**
DIN: 02840511

Kolkata
Date: 25th April, 2024

**Dinesh Shastri**
**Managing Director**
DIN: 02069346

# ANNEXURE 1

## REPORT ON OPERATIONS, INFORMATION TECHNOLOGY, SAFETY & QUALITY INITIATIVES

### A. KEY OPERATIONAL HIGHLIGHTS AND ACHIEVEMENTS OF ALL THE BUSINESS VERTICALS:

**i. Port Operations**

The Major Ports under Ministry of Shipping handled a volume of 819.4 million MT of cargo during 2023-24 as compared to 795 Million MT during 2022-23, volume increased by 3.07%.

SMP, Kolkata handled 66.4 MMT of cargo during 2023-24, creating all time record in the port's history, surpassing the previous highest of 65.66 MMT handled in 2022-23, clocking a growth of 1.11% compared to the previous year's traffic.

Its two sister docks Haldia Dock Complex and Kolkata Dock System handled 49.54 MMT (HDC) and 16.856 MMT(KDS) of cargo traffic in FY 2023-24.

Incidentally, HDC's handling of 49.54 MMT in FY 23-24, is the highest ever cargo volume since its inception, surpassing its earlier record of 48.608 MMT in FY 23. Highest ever rail borne cargo of 28.93 MMT has also been achieved at HDC in FY 23-24 surpassing the previous best of 28.81 MMT last year.

Paradip Port Authority (PPA) handled highest ever annual traffic of 145.38 MMT during FY 23-24, volume increased by 7.4 % from previous year volume of 135.36 MMT.

Dhamra Port Company Ltd (DPCL) handled highest ever volume of 38.77 MMT in FY 2023-24 surpassing its previous best of 30.12 MMT in FY 2022-23, volume increased by 28.71%.

Most notable achievements of Port Operations were as follows:

- Berth 13 handled highest ever volume of **2.36 MMT in FY24** crossing previous highest tonnage of 2.26 MMT in FY 23.
- Berth 13 achieved PBT of **Rs. 21.69 crores** in FY 24 which is 66% above the FY24 ABP of Rs. 13.05 crores.
- In June 23, Berth 13 achieved highest discharge rate of **28,305mt/day** from MV Vishva Uday, cargo- Pyroxenite surpassing previous highest of 27,775 mt/day in the month of August 22.
- Berth 13 handled all time highest Non Tata cargo of **1,59,133 MT (98,355 MT Break Bulk + 60,778 MT Dry Bulk)** in November 23, previous highest was 87,341 MT handled in the month of January 2016.
- Highest hook output per shift of **2375 Mt/hook/shift** achieved in import break bulk vessel MV Lignum Matrix at Berth 13 on 30-11-23, previous highest was 1778 Mt/hook/shift in MV My Fair Lady in the month of March 2020.
- Berth 13 handled **Wood Pulp** for the first time in December 23, Quantity 8483 Mt.
- Berth 13 handled **2.38 Lakh MT** of Nepal import cargo in FY 24, TMILL has started providing complete solutions (welding & lashing) of coils in rakes to Nepal customers from the month of Sep 23, 47 rakes dispatched from LL6 siding in FY 24, total cargo dispatched 1.18 Lakh MT .
- Total **six (6) numbers inland waterway** shipments of TMT Bar completed in FY 24 through IBP route to Agartala, via Ashuganj.
- Highest no of Containers stuffed at Haldia Stockyard in Sep 23 = **338 nos**
- For the first time **TMT coils** stuffed in containers using polyblocks and PVC sheets in 62 containers, all the containers reached safely to Canada and appreciation received from the customer for the same.
- Highest no of containers stuffed at TMILL yard – **1286** containers in FY 24, total tonnage handled - **28,095 mt.**
- Round bars stuffed in 6 TEUs for the first time in Oct 23 from Haldia Stockyard.
- Berth 13 handled first **DI Pipe** shipment of **525 mt** to Bangladesh in barge.
- Highest tonnage handled at Paradip including port berths and KICT- **11.04 Million MT,** surpassing previous highest of 8.44 Million MT in FY 23.
- Appreciation received from customer for proper planning and storage of **84KT Flux** in 7000sqm plot area (S-7) and 65KT Coal & coke breeze in 15900 sqm plot area( S-19 & GT-1) at Paradip, in Aug 23.
- At Paradip highest volume handled in November 23, **1.03 MMT** surpassing previous highest of 0.98 MMT in June 23.
- Highest volume of **0.117 Million MT** of export steel handled in March 24 surpassing previous highest of 0.114 Million MT in Jan 24.
- Highest rake dispatched from Paradip in March 24 **- 289 rakes,** previous highest was in Jan 24-272 rakes.

**ii. Railways**

In the year FY'24, TMILL's Railway division has continued to increase its fleet size from 19 to 30 in SFTO and 17 to 34 in GPWIS. This takes the total to 64 rakes in current operating year.

**Operational Highlights:**

- Railway division handled 2.64 MMT (PY 1.73 MMT) of finished goods and 11.18 (PY: 8.68 MMT) MMT of raw materials.
- The operational journey commenced with Dalmia Cements, marked by the inaugural BOXNHL loading on July 6th, '23.
- Subsequently, TMILL introduced its first owned BOXNHL rakes (TG01 & TG02) in the Clinker circuit under the Dalmia contract since September 10th and November 1st, '23, respectively.

- TMILL also marked a significant milestone by flagging its maiden BFNV rake at the Jindal Baroda manufacturing plant and leasing 4 BFNV rakes.
- GPWIS rebate regularisation of past cases.

**Initiatives driving Customer Value**

- With consent of TMILL, Indian railway, at request of Tata Steel, introduced push – pull system between mines and Kalinganagar plant of Tata Steel to alleviate iron ore shortage.
- Furthermore, the completion of 25T Conversion and notification of 8 rakes of GPWIS helped TSL to cater higher tonnage movement.

**Operational Efficiency:**

- TMILL realized significant savings, mitigating 75 days of rake downtime in SFTO, leading to revenue gains of approximately ₹0.60 Crs.
- Additionally, 130 days of rake downtime were mitigated in GPWIS, resulting in revenue gains of approximately ₹0.80 Crs, showcasing a proactive approach towards operational streamlining in ROH/POH
- Addition of Angul as base maintenance depot for four GPWIS rakes has resulted in overcoming the infrastructural limitations of Paradip, the earlier base maintenance depot, where PME is delayed severely for enroute congestion.

**Supply Side Improvements**

- Introduced a third leasing company, Tata Capital in the leasing eco system
- Direct negotiations with manufacturers to finalise the wagon prices and delivery schedule.

**iii. CHA & Inland Logistics**

During the year under review, the Company maintained continuity in operations for custom clearances and inland logistic activities from various locations across India which included bulk clearances, containerised cargo and project import movement. Some of the notable highlights are:-

- Inland movement of first of a kind Break Bulk shipment of 56 ft Screw Conveyor Shaft, packaged & received at Port as a single unit, in seven Flat Rack containers from Chennai Port to KPO within seven days from Vessel discharge with nil vessel and container demurrage.
- An assembled crop shear assembly weighing 188 MT was successfully moved from Kolkata to Kalinganagar ensuring safe transit & nil damage.
- Duty Benefits of approx. Rs. 790 crores have been availed on behalf of TSL till January'2024 on various accounts like Free Trade Agreements, EPCG and PEEPCG.
- Fold back of TSL group companies namely Tata Steel Mining, Tata Steel Long Products, Tinplate Co. & Tata Metaliks led to TMILL being responsible for executing all Customs Clearance activity & Inland Logistics for their import cargo. Successful completion of all such new consignments on account of these new companies.
- New CHA&IL Line of Business application has been successfully launched.

**iv. Maritime Logistics Services (MLS)**

MLS division has handled 627 ship calls across 17 Indian Ports as on 31st Mar 2024. Majority of the vessels are attended at Haldia, Paradip, Dhamra, Mumbai, Vizag, Gangavaram & Kandla Ports. The division has generated an annual revenue of INR 236.6 million, with a Contribution of INR 142.8 million and a PBT (before allocation) of INR 105.3 million. We have handled 585 and 42 vessel calls at ECI & WCI Ports respectively.

Major breakthroughs were made in the following areas in FY'23-24:

- Efficiently handled one of the party's first ever LNG fuel powered Capesize vessel carrying coal cargo at Dhamra.
- Successfully executed the highest ever project cargo vessel agency of Kolkata Port.
- Successfully completed the loading operation of ball clay cargo at a record loading rate of 32,000 MT per day at Kandla Port.
- Handled 146 Non-TSL vessel calls, highest this year.
- Handled the vessel agency and facilitated the stevedoring activity of 2 Non-TSL vessels at Paradip Port.
- Efficiently handled five (5) mid-stream discharging operation of approx. 1,50,000 MT of Import bulk cargo at Sandheads, Sagar & Diamond Harbour anchorage combined.
- Successfully carried out our first agency operation of coastal steel vessel at NSDT terminal of JNPA, Mumbai.

**v. Inland Waterways & Multimodal Waterways**

TMILL has formed a new vertical namely, Inland Waterways & Multimodal Logistics in FY'23, through which a waterway-based cross-border multimodal logistics model has been developed, to reach out to their customers in Tripura & other surrounding states in northeast. During FY'24, TMILL continued transit cargo movement to the North-East regions of India through Tripura & export shipments to Bangladesh. Highlights of FY'24 are as below:

- An annual work order was awarded to TMILL for the TMT bars shipments to Agartala via Ashuganj, Bangladesh. During FY' 24, shipments were undertaken from Haldia to Agartala, through this river-based cross-border multimodal logistics model, handling approx. 5,476 MT of TMT bars, including bending, handling & transportation of cargo to the consignee.
- Apart from Tripura movement, export shipments to Bangladesh were also undertaken which resulted in 8272 Mt of volume being handled in FY'24.

**vi. Warehouse & Supply Chain**

- The group's warehousing & supply chain business has sustained its growth phase.
- Under Warehousing business, there are now 5 IM sections under operation: Jamshedpur, Kalinganagar, Meramandali, Ludhiana & Mines locations along with two central warehouses at Kalinganagar & Meramandali. New projects that were added in the FY'24 include Meramandali Transport Park, Combi Mill at Indian Steel & Wire Products among other projects.
- The on-ground operations team has made an exemplary display of agility in supporting customer during times of planned shutdowns/urgencies and garnered overall 20+ appreciations from senior executives from customer side.

## B. DETAILS ON INFORMATION TECHNOLOGY

In TMILL group, layered approach is used to manage business processes. Individual departments leverage line-of-business applications to address specific operational and customer needs within their segments of the logistics chain. These applications seamlessly integrate with our core enterprise resource planning (ERP) system, SAP. SAP serves as the foundation of our IT infrastructure and has undergone continuous upgrades to ensure it remains cutting-edge. To optimize its functionality, we have implemented various reporting and integration features tailored to our specific business requirements.

To ensure optimal application and network performance, we prioritize several key practices:

- Regular preventive maintenance: Hardware undergoes scheduled maintenance to minimize downtime and potential failures.
- Proactive application monitoring: Applications are actively monitored to identify and address issues before they impact users.
- Strict Service Level Agreements (SLAs): Stringent SLAs with service providers guarantee consistent performance and hold them accountable for meeting uptime targets.

These measures contribute to a highly reliable IT infrastructure that facilitates real-time information sharing and communication with key customers. For instance, our system seamlessly integrates with Tata Steel's application through a application programming interface. This interface allows for efficient information exchange and can be further expanded to accommodate evolving needs.

To bring IT infrastructure and application landscape of TMILL sustainable and compatible to the growth plan of the organisation, we are achieving this through a comprehensive Information Technology (IT) strategy focused on delivering three key pillars:

- Simplicity, Security, and Sustainability: We're implementing solutions that are user-friendly, secure, and cost-effective in the long term. This ensures a reliable foundation for future growth.
- Unified Data Platform: We're capturing all transactional data across various business units and enabling seamless sharing. This facilitates the creation of a single, integrated IT system that fosters cross-functional collaboration and optimizes efficiency.
- Cloud Readiness and Modernization: We've completed the modernization of applications to ensure compatibility with cloud environments and smooth integration with SAP. This lays the groundwork for future cloud adoption and further application enhancements.

Some of the recent projects which were completed -

- Vendor Portal
- Employee Self Service Portal
- Auto reading of documents
- Modern CHA&IL & MLS application
- Multiple enhancements in SAP & Business applications
- High Avilability implementation for Network
- ISO 27001 and 27701
- Travel Portal
- Auto Digital Signature
- Track & Trace for WMS

In today's digital landscape, data and responsible data practices are essential for building trust and ensuring the long-term sustainability of the organization. At TMILL, we are committed to safeguarding information security and data privacy through robust practices. Achieving ISO 27001 (Information Security Management System) and ISO 27701 (Privacy Information Management System) certifications in relevant areas signifies our commitment to maintaining the highest level of data security for all our stakeholders.

## C. Health & Safety

Details of initiatives taken towards Environment, Health and Safety are as follows:

- During the year, there has been **Zero Fatality** while the number of Lost Time Injury (LTI) was two (2) and Near Misses / HIPO (High Potential) incidents was eighteen (18). Each of the incidents were investigated and necessary Corrective And Preventive Actions (CAPA) was implemented with due communication to all locations and all concerned.

- Throughout the year online / classroom safety trainings on relevant topics were organized through Directorate General Factory Advice Service and Labour Institute, Haldia Dock Complex, Inspectorate of Dock Safety, Central Labour Institute, Indian Institute of Material Management etc.

- Training session on 5S & Visual Workplace Management was conducted for creating a conducive work environment and continuous improvement in safety at sites.

- The Renewal Audit for ISO 45001:2018 (Occupational Health & Safety Management System) was conducted in 2023 by IRCLASS and Certificate of continuity for the next 3 years was awarded to TMILL. This system is designed to prevent work related injury and ill health and to provide safe and healthy workplaces.

- Safety and site health audit at warehouses and ports was conducted by the TBEM and CII assessors during the year.

- Escalation mechanism was implemented for closure of pending safety observations in safety portal.

- 53rd National Safety Week was celebrated at warehouses and ports and the theme was on "Focus on Safety Leadership for ESG (Environmental, Social & Governance) Excellence". This event holds significant importance as it underlines our commitment for promoting a safe and secure environment for all. Series of engaging activities and discussions were planned to commemorate this occasion.

- GM, TGS (Tata Steel) recognized and awarded the warehousing team for their contribution in safety tree project (Visual information on Tata Steel Life Saving Rule)

- Union President TGS (Tata Steel) awarded the TGS warehousing team for the best safety performance under the Material Management Division for the Road Safety Month Campaign 2024.

### D. Quality Initiatives

During the year, 37+ Improvement Projects were initiated by business and support functions under categories like Process Improvement, Innovation, Safety, Health & Environment, Benchmark/Comparison, People, Inter departmental Project through cross functional team etc. These projects have contributed towards system benefit of approximately Rs. 15 crores. 174 + employees participated in the improvement journey this year which is a significant jump over last year which represent more than 56% of employee base. These improvement initiatives have contributed with positive contribution of ~ Rs. 1.6 Crores. and systems savings to customer for ~Rs. 9 Crores.

We also continue to excel our improvement journey with improvising two more ISO Standards, ISO 27001:20122 (Information Security Management System) and ISO 27701:2019 (Privacy Information Management System) along with the Integrated Management System for ISO 9001:2015 (Quality Management System); ISO 14001:2015 (Environment Management System) and ISO 45001:2018 (Occupational Health and Safety Management System) Renewal Audit successfully completed with new certification awarded.



# ANNEXURE 2
# TO THE DIRECTOR'S REPORT

**Annual Report on CSR Activities Included as part of Board's Report for Financial Year 2023-2024**

1. Brief outline on CSR Policy of the Company- Corporate Social Responsibility (CSR) emphasizes the ethical, social, and environmental impacts of company operations. As per the CSR Policy of TMILL, the focus area includes education & employability, which enhances individuals with knowledge, skills and opportunities they need to succeed in the modern economy. We enrich rural communities' quality of life by promoting health and sanitation. We also have integrated environmental stewardship and livelihood enhancement as our focus areas; thereby contribute to environmental conservation, social well-being, and economic empowerment.

2. Composition of Corporate Social Responsibility & Sustainability Committee as on 31st March, 2024:

| Sl. No. | Name of Director | Designation / Nature of Directorship | Number of meetings of CSR Committee held during the year | Number of meetings of CSR Committee attended during the year |
|---|---|---|---|---|
| 1 | Mr. Virendra Sinha | Independent Director | 2 | 2 |
| 2 | Capt. Sandeep Chawla *(Appointed in July 2023)* | Non-Executive Director | 2 | 1 |
| 3 | Mr. Dinesh Shastri | Managing Director | 2 | 2 |

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company-

| CSR Committee | CSR Policy | CSR Projects |
|---|---|---|
| https://www.tmilltd.com/pdf/csr-board-committee.pdf | https://www.tmilltd.com/finance-policies/company-policies.aspx | https://www.tmilltd.com/pdf/csr-projects.pdf |

4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable. **Not Applicable**

5. (a) Average net profit of the company as per section 135(5). **Rs. 31.52 Crores.**
   (b) Two percent of average net profit of the company as per section 135(5)- **Rs. 63.05 Lacs**
   (c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years.- **Nil**
   (d) Amount required to be set off for the financial year, if any- **Nil**
   (e) Total CSR obligation for the financial year (5b+5c-5d)- **Rs. 63.05 Lacs**

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project). **Rs. 63.21 Lacs**
   (b) Amount spent in Administrative overheads. **Nil**
   (c) Amount spent on Impact Assessment, if applicable. **Nil**
   (d) Total amount spent for the Financial Year [(a)+(b)+(c)]. **Rs. 63.21 Lacs**
   (e) CSR amount spent or unspent for the Financial Year:

| Total Amount Spent for the Financial Year. (in Rs.) | Amount Unspent (in Rs.) | | | | |
|---|---|---|---|---|---|
| | Total Amount transferred to Unspent CSR Account as per section 135(6). | | Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5). | | |
| | Amount. | Date of transfer. | Name of the Fund | Amount. | Date of transfer. |
| 63.21 lacs | NIL | | | | |

(f) Excess amount for set-off, if any:

| Sl. No. | Particular | Amount (in Rs.) |
|---|---|---|
| (i) | Two percent of average net profit of the company as per sub-section (5) of section 135 | 63.05 Lacs |
| (ii) | Total amount spent for the Financial Year | 63.21 Lacs |
| (iii) | Excess amount spent for the Financial Year [(ii)-(i)] | 0.16 Lacs |
| (iv) | Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any | 0 |
| (v) | Amount available for set off in succeeding Financial Years [(iii)-(iv)] | 0.16 Lacs* |

*Not being considered for set off

7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years: **Nil**

| 1 | 2 | 3 | 4 | 5 | 6 | | 7 | 8 |
|---|---|---|---|---|---|---|---|---|
| Sl. No. | Preceding Financial Year | Amount transferred to Unspent CSR Account under sub-section (6) of section 135 (in Rs.) | Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (in Rs.) | Amount Spent in the Financial Year (in Rs) | Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any | | Amount remaining to be spent in succeeding Financial Years (in Rs) | Deficiency, if any |
| | | | | | Amount (in Rs) | Date of Transfer | | |
| 1 | FY-1 | NIL | | | | | | |
| 2 | FY-2 | | | | | | | |
| 3 | FY-3 | | | | | | | |

8. Whether any capital assets have been created or acquired through ***Corporate Social Responsibility*** amount spent in the Financial Year: **No**

If Yes, enter the number of Capital assets created/ acquired

Furnish the details relating to such asset(s) so created or acquired through ***Corporate Social Responsibility*** amount spent in the Financial Year:

| Sl. No. | Short particulars of the property or asset(s) [including complete address and location of the property] | Pincode of the property or asset(s) | Date of creation | Amount of CSR amount spent | Details of entity/ Authority/ beneficiary of the registered owner | | |
|---|---|---|---|---|---|---|---|
| (1) | (2) | (3) | (4) | (5) | (6) | | |
| | | | | | CSR Registration Number, if applicable | Name | Registered address |
| NA | | | | | | | |

(All the fields should be captured as appearing in the revenue record, flat no, house no, Municipal Office/Municipal Corporation/ Gram panchayat are to be specified and also the area of the immovable property as well as boundaries)

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per sub-section (5) of section 135.
**Not Applicable**

**Virendra Sinha**
Chairman
CSR & Sustainability Committee

**Dinesh Shastri**
Managing Director

Kolkata, 25th April, 2024





## Annexure 3

# CORPORATE GOVERNANCE REPORT

### 1. Board of Directors

During the year under review, till the preparation of Director's Report, the following changes in the Board of Directors were made:

**(i) Appointment of Directors**

- On recommendation of Nomination and Remuneration Committee, Mr. Dibyendu Dutta (nominee of Tata Steel Ltd.) was appointed as Additional Non- Executive Director w.e.f 18th May, 2023.
- On recommendation of Nomination and Remuneration Committee, Mr. Nobuaki Sumida (nominee of NYK Holding Europe B.V.) was appointed as an Additional Non-Executive Director w.e.f. 25th April, 2024.

**(ii) Re-appointment of Directors retiring by rotation**

In terms of the provisions of the Act and the Articles of Association of the Company, Mr. Peeyush Gupta - Chairman and Mr. Guenther Hahn-Non-Executive Directors, retires by rotation at the ensuing Annual General Meeting (AGM) and being eligible, seeks re-appointment.

The necessary resolution for re-appointment of Mr. Peeyush Gupta and Mr. Guenther Hahn forms part of the notice convening the ensuing AGM scheduled to be held on 26th July 2024.

**(iii) Cessations of Directors**

Mr. Shinichi Yanagisawa (nominee of NYK Holding Europe B.V.) - Non-Executive Director resigned from Board w.e.f closing business hours of 25th April, 2024.

### 2. Meetings of the Board and Committees of the Board

During the financial year ended 31st March, 2024, 6(Six) Board Meetings were held on the following dates:

- 17th April 2023, 17th July 2023, 17th October 2023, 02nd February, 2024, 19th March, 2024 and 27th March, 2024.

The composition of the Board of Directors as on 31st March 2024, along with the details of the meetings held during the year under review are as below:

| Name of the Directors | Composition | No. of meetings attended |
|---|---|---|
| Mr. Virendra Sinha | Independent Director | 6 |
| **Tata Steel Limited** | | |
| Mr. Peeyush Gupta | Non-Executive (Chairman) | 6 |
| Mr. Dinesh Shastri | Managing Director | 6 |
| Mr. Amitabh Panda | Non-Executive Director | 6 |
| Mr. Subodh Pandey | Non-Executive Director | 6 |
| Mr. Dibyendu Dutta | Non-Executive Director | 4* |
| **IQ Martrade Holding Und Management GmbH** | | |
| Mr. Guenther Hahn | Non-Executive Director | 6 |
| Ms. Stephanie Sabrina Hahn | Non-Executive Director | 5 |
| **NYK Holding (Europe) BV** | | |
| Mr. Shinichi Yanagisawa | Non-Executive Director | 6 |
| Captain Sandeep Chawla | Non-Executive Director | 5 |

**Mr. Dibyendu Dutta was appointed in May 2023. 5 Board meetings were conducted post his appointment & he was present for 4 Board Meetings.*

**Committees of the Board of Directors**

The details of the Committees, as required to be formed as per the provisions of the Companies Act, 2013 are as follows:

**i. Audit & Risk Review Committee**

During the financial year ended 31st March, 2024, 4 (Four) Meetings were held on the following dates:

- 14th April 2023, 17th July 2023, 17th October 2023 and 24th January, 2024.

The Audit & Risk Review Committee constituted by the Board of Directors, comprises of 3 (three) Non-Executive Directors. The Chairman of the Committee is an Independent Director.

Details of number of meetings held and attendance of Members during the year are as below:

| Name of the Directors | Composition | No. of meetings attended |
|---|---|---|
| Mr. Virendra Sinha | Independent (Chairman) | 4 |
| Mr. Guenther Hahn | Non- Executive | 4 |
| Mr. Dibyendu Dutta | Non- Executive | 3* |

** Mr. Dibyendu Dutta was appointed in May 2023. 3 Audit & Risk Review Committee meetings were conducted post his appointment & he was present for all of them.*

**ii. Nomination & Remuneration Committee**

During the financial year ended 31st March, 2024, 2 (Two) Meetings were held on the following dates:

- 17th April 2023 and 17th October 2023

The Nomination & Remuneration Committee constituted by the Board of Directors, comprises of 3 (three) Non-Executive Directors. The Chairman of the Committee is an Independent Director.

Details of number of meetings held and attendance of Members during the year are as below:

| Name of the Directors | Composition | No. of meetings attended |
|---|---|---|
| Mr. Virendra Sinha | Independent (Chairman) | 2 |
| Mr. Guenther Hahn | Non- Executive | 2 |
| Mr. Peeyush Gupta | Non- Executive | 2 |

**iii. Corporate Social Responsibility Committee**

During the financial year ended 31st March, 2024, 2(Two) Meetings were held on the following dates:

- 12th April 2023 and 18th December, 2023.

The Corporate Social Responsibility Committee constituted by the Board of Directors in accordance with the provisions of Section 135 of the Companies Act 2013, comprises of 3(three) Non-Executive Directors. The Chairman of the Committee is an Independent Director.

Details of number of meetings held and attendance of Members during the year are provided below:

| Name of the Directors | Composition | No. of meetings attended |
|---|---|---|
| Mr. Virendra Sinha | Independent (Chairman) | 2 |
| Mr. Dinesh Shastri | Managing Director | 2 |
| Capt. Sandeep Chawla | Non-Executive | 1* |

**Capt. Sandeep Chawla was appointed as a member of the CSR Committee in July 2023. 1 Committee meeting was conducted post his appointment & he was present in that meeting.*

## 3. Independent Director

As per the Amendment to the rules of Companies (Appointment and Qualification of Director) vide notification dated 5th July, 2017, issued by Ministry of Corporate Affairs, TMILL is exempted from mandatorily appointing an Independent Director in its Board. However, as a good Corporate Governance practice, the Company has 1 Independent Director on its Board.

**Declaration by Independent Director**

The Company has received the necessary declaration from Independent Director in accordance with Section 149(7) of the Companies Act, 2013 that he meets the criteria of independence as laid out in Section 149(6) of the Companies Act, 2013.

## 4. Board Evaluation

The evaluation process as carried out by the Board in accordance with the Nomination and Remuneration Policy adopted by the Company has been detailed hereunder:

- Board evaluated its performance after seeking inputs from all the directors on the basis of criteria such as the Board composition and structure, effectiveness of board processes, information and functioning, etc.
- The performance of the Committees was evaluated by the Board after seeking inputs from the committee members on the basis of criteria such as the composition of committees, effectiveness of committee meetings, etc.
- The above evaluations along with the performance of the Board, its Committees, and individual directors were then discussed in the meeting of NRC that followed the board meeting.
- Performance evaluation of independent director was done by the entire board, excluding the independent director being evaluated.

The evaluation process endorsed the Board Members' confidence in the ethical standards of the Company, cohesiveness amongst the Board Members, constructive relationship between the Board and the Management and the openness of the Management in sharing strategic information to enable Board Members to discharge their responsibilities.

## 5. Conservation Of Energy, Technological Absorption and Foreign Exchange Earnings and Outgo

Information as per Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is as below:

A. Conservation of Energy: The Company is not a major consumer of energy.

B. Technology Absorption: Nil

C. Foreign exchange earnings & outgo:

- Foreign exchange earnings in terms of actual inflows during the year was Rs. 9.44 crores on account of freight agency fees and others.
- Foreign exchange outgo in terms of actual outflows during the year was Rs. 2.25 crores on account of freight and foreign travels.

## 6. Compliance Management Software

Key updates on EY Compliance Management System implemented from 1st June, 2023 are as follows:

- The steps used for implementation included the following, (a) Understanding the existing business, (b) Review the existing content for adequacy, accuracy and comprehensiveness, (c) Framing of draft user-friendly Compliance Checklist, (d)Workshop with stakeholders to finalize the compliance tasks and user mapping, (e) User Training (multiple sessions).
- The system has a mechanism in place by which triggers are sent to users well in advance of due date for them to report and close the compliances. Total of 254 Legislations are covered and 8444 compliances are mapped into the system.
- 81 users are mapped in the system across locations under various roles from Performer to Compliance Head.
- 8 compliances certificates are generated on a quarterly basis by the Function Heads and presented to the Managing Director for review and reporting to the Audit Committee of the Company. The Managing Director's and Chief Financial Officer's compliance certificates are also placed before Board of the Company.
- As on 31st March, 2024, all the compliances were completed with nil non-compliance reported.

## 7. Ethics

Details of Company's initiatives, awareness programs and trainings to create awareness about TCoC and other policies of the Company are as follows:

✓ To commemorate the birth anniversary of Shri J R D Tata, July month was celebrated as Ethics Month and the chosen theme of July 2023 was **"Excellence through Integrity".** Some events/awareness conducted :

- Ethics Pledge- taken by all Employees at all locations from July 1st to 3rd .
- MD Online- MD's address to all Employees on the theme.
- Sessions by Sr. leadership Teams were conducted by all Division Heads across locations. This is still ongoing.
- Video Message from MD and Senior leadership Team on the theme & their thoughts was circulated to all employees through emails and also posted on TMILL Social Media Channels.
- Video Competition- 4 in-house videos were made by employees on Gift & Hospitality Policy, Conflict of Interest, Respectful Workplace. The same were circulated to all Employees.
- Various other events (quiz/ competition/sessions) done for both On-roll and Off-roll Employees.
- Closing Ceremony and felicitation of winners done in MD Online (for on-roll employees) and at respective Locations (for contractual employees).

✓ Annual Declaration on The Tata Code of Conduct & Related Policies- This has been completed for All Employees (100% received) and also taken from major Vendor Partners.

✓ Ethics Master Class by Tata Sons attended by Ethics SPOCS.

- In addition to above, 'Ethics Week' was also celebrated from 11th to 18th December, 2023 to commemorate 25 years of formal adoption of the TATA CODE OF CONDUCT (TCOC). Following took place during the week:

  ✓ Celebration of International Anti-Bribery Anti-Corruption Day on 11th December, 2023.

  ✓ Share your TATA Story Contest.

  ✓ Awareness sessions for vendors at various locations by Ethics SPOCs.

  ✓ Fun Friday-Quiz Contest on TCOC and related policies.

  ✓ Slogan writing competition on 'Anti-Corruption'.

  ✓ Picture with TATA/TMILL Group Logo Contest.

- Ethics Awareness Sessions were conducted at all locations by Division Ethics Co-ordinators. The session witnessed participation from both permanent & contractual employees.
- Regular meeting of Apex Ethics Committee and Division Ethics Counsellor was conducted during the year.
- Leadership of Business Ethics Survey by M/s Neilson for Employees segment (for the second time) and for Suppliers segment (first time) was successfully conducted.

# Annexure 4

## FORM NO. MR - 3

# SECRETARIAL AUDIT REPORT

**FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2024**

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

To
The Members,
TM International Logistics Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by TM International Logistics Limited (hereinafter called 'the Company') having CIN: U63090WB2002PLC094134. 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 TM International Logistics 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, 2024 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 31st March, 2024 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the Rules made there under;

(ii) Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under relating to Foreign Direct Investment. The company did not have any External Commercial Borrowings or Overseas Direct Investment during the financial year.

(iii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;

(iv) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under.

The Laws mentioned at no. (iii) and (iv) above were applicable to the extent of obtaining ISIN for securities (Equity Shares) of the Company, dematerialization of equity shares and tripartite agreement by the Company with the Depository and Registrar & Share Transfer Agent. Other rules, regulations and bye-laws were not applicable.

We have also examined compliance with the applicable clauses of Secretarial Standards issued by the Institute of Company Secretaries of India and approved by the Central Government under section 118(10) of the Companies Act, 2013 with regard to Meetings of the Board of Directors (SS-1) and General Meetings (SS-2).

The management has given us a written representation that there is no particular legislation or statute that is specifically applicable to the Company, considering the nature of its business.

The management has also made written representation and we have also checked that the Company being an unlisted Public Limited Company the following Acts, Regulations, Guidelines, Agreements etc. as specified in the prescribed MR-3 Form were not applicable to the Company:

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

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

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

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

  (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and/or The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and/or Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

  (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 regarding the Companies Act and dealing with client;

  (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 and/or Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; and

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

(ii) Listing Agreements with Stock Exchanges read with The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015.

During the period under review, the Company has complied with the provisions of the applicable Acts, Rules, Regulations, Guidelines, etc. mentioned above and has generally adhered to the secretarial standards.

**We further report that:**

(a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors and Non-Executive 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.

With effect from 05th July, 2017 pursuant to the provisions of Rule 4(2) of the Companies (Appointment and Qualifications of Directors) Rules, 2014 the company being an unlisted public company having joint venture agreement, is not required to have any independent director. However, the constitution of the Board comprises of one Independent Director voluntarily appointed by the Company.

Since the Company was not covered by Rule 4 of the Companies (Appointment and Qualifications of Directors) Rules, 2014 it was not required to constitute an 'Audit Committee' and a 'Nomination and Remuneration Committee' pursuant to the provisions of Sections 177/178 of the Act read with Rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014. However, such committees have been voluntarily constituted by the Board and comments on due constitution of such voluntary committees are not required.

(b) Adequate notice was given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance for meetings other than those held at shorter notices and the same were also uploaded in the DESS Digital Meetings Application. Access to such application has been provided to all the Directors for Board Meetings. 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.

(c) Majority decision is carried through while the dissenting members' views are captured and recorded as part of the Minutes. There has not been any dissent among the directors on any matter dealt with by the Board during the financial year.

**We further report** that based on review of compliance mechanism established by the Company and on the basis of the quarterly compliance certifications of Managing Director, CFO and other operational heads as circulated amongst the Directors and taken on record by the Board of Directors at their meeting(s), there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**We have been informed that** the Company has appropriately responded to notices for demands, claims, dues, fines, penalties etc. received from various statutory / regulatory authorities and initiated actions for corrective measures, wherever necessary.

**We further report that** there are no specific events / actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc. referred to above.

**For D. DUTT & CO.**
Company Secretaries
UNIQUE CODE NUMBER: I2001WB209400

**(DEBABRATA DUTT)**
Proprietor
FCS-5401
C.P. No.-3824
Peer Review Certificate No. – 2277/2022
UDIN No.: F005401F000245916

Place: Kolkata
Dated: 25.04.2024

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

# ANNEXURE – A

To
The Members,
TM International Logistics Limited

Our Secretarial Audit Report for the financial year ended 31st March, 2024 of even date is to be read along with this letter.

**Management's Responsibility:**

1. It is the responsibility of the management of the Company to maintain proper secretarial records, devise proper systems to endure compliance with the provisions of all Corporate and other applicable laws, rules, regulations, standards and also to ensure that the systems are adequate and operate effectively.

**Auditor's Responsibility:**

2. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances based on our audit.

3. 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.

4. We believe that the audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide us a basis of our opinion.

**Disclaimer:**

5. We have not verified the correctness and appropriateness of financial records, books of accounts, compliances of applicable direct and indirect tax laws of the company.

6. Wherever required, we have obtained the management representation about the compliance of laws, rules, regulations, guidelines, standards and happening of events etc.

7. 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.

8. This Report has been prepared upon receipt / exchange of requisite information / documents through electronic mail and other online verification / examination process of secretarial records as facilitated by the Company.

**For D. DUTT & CO.**
Company Secretaries
UNIQUE CODE NUMBER: I2001WB209400

**(DEBABRATA DUTT)**
Proprietor
FCS-5401
C.P. No.-3824
Peer Review Certificate No. – 2277/2022
UDIN No.: F005401F000245916

Place: Kolkata
Dated: 25.04.2024



# Annexure 5

## FORM NO. AOC-2

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

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

1. Details of contracts or arrangements or transactions not at arm's length basis:- **NIL**.
2. Tata Steel Limited being the major shareholder in TMILL, details of all contracts between TMILL and TSL for the FY 23-24 are being provided below:

*(Rs. in Crores)*

| Sl. No. | Name of the related party | Nature of contracts/ arrangements / transactions | Duration of the contracts | Salient Features of the contract or arrangement or transactions | Actuals 31.03.2024 | Date(s) of approval by the Board, if any | Amt. paid in advance |
|---|---|---|---|---|---|---|---|
| **Maritime Logistics Services** | | | | | | | |
| 1 | Tata Steel Ltd. | Holding Company | FY 23-24 | Rendering of Ship Agency services and reimbursement of expenses | 406.05 | 25.04.2024 | NIL |
| **Custom House Agent & Inland Logistics** | | | | | | | |
| 2 | Tata Steel Ltd. | Holding Company | FY 23-24 | Rendering of Custom Clearance services & reimbursement of shipping line bills | 42.36 | 25.04.2024 | NIL |
| **Warehouse** | | | | | | | |
| 3 | Tata Steel Ltd. | Holding Company | FY 23-24 | Providing warehousing service at different locations under various work orders | 85.41 | 25.04.2024 | NIL |
| **Port Operations** | | | | | | | |
| 4 | Tata Steel Ltd. | Holding Company | FY 23-24 | Rendering of port operation services and reimbursement of expenses | 454.41 | 25.04.2024 | NIL |
| **Railways** | | | | | | | |
| 5 | Tata Steel Ltd. | Holding Company | FY 23-24 | Rendering of logistics support services under SFTO Scheme of Indian Railways | 639.28 | 25.04.2024 | NIL |
| | | | FY 23-24 | Rendering of logistics support services under GPWIS of Indian Railways | 42.29 | 25.04.2024 | NIL |
| **Inland Waterways** | | | | | | | |
| 6 | Tata Steel Ltd. | Holding Company | FY 23-24 | Rendering of port operation services | 2.88 | 25.04.2024 | NIL |
| **Others** | | | | | | | |
| 7 | Tata Steel Ltd. | Holding Company | FY 23-24 | Payment of car parking , deputation cost of employees , rent other misc. charges | 6.95 | 25.04.2024 | NIL |

# Annexure 6

## FORM AOC-I

**(As on 31st March 2024)**

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

**Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures**

**Part "A": Subsidiaries**

(Information in respect of each subsidiary to be presented with amounts in **Rs. in Million**

| Sl No. | Particulars | 1 | 2 | 3 | 4 |
|---|---|---|---|---|---|
| 1 | Name of the subsidiary | **TKM Global Logistics Limited** | **International Shipping & Logistics, FZE** | **TKM Global GmbH, Germany** | **TKM Global China Limited** |
| 2 | Reporting Period for the subsidiary concerned, if different from the holding company's reporting period. | N.A. | NA | N.A. | N.A. |
| 3 | Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign Subsidiaries. | N.A. | 1USD = INR 83.3739 * | 1 EUR = INR 90.2178* | 1 RMB = INR 11.5279 * |
| 4 | Share capital | 36 | 22.82 | 90.22 | 78.79 |
| 5 | Reserves & surplus | 381.25 | 2723.38 | 692.23 | -11.45 |
| 6 | Total assets | 845.19 | 3187.69 | 1384.23 | 83.97 |
| 7 | Total Liabilities(including share capital & reserve) | 845.19 | 3187.69 | 1384.23 | 83.97 |
| 8 | Investments | 54.94 | - | - | - |
| 9 | Turnover | 481.41 | 4961.38 | 1137.07 | 211.26 |
| 10 | (Loss)/Profit before taxation | 1125.93 | 111.84 | 156.81 | -3.61 |
| 11 | Provision for taxation | 32.22 | - | 45.63 | 0.14 |
| 12 | (Loss)/Profit after taxation | 1093.71 | 111.84 | 111.18 | 3.47 |
| 13 | Proposed Dividend | - | - | - | - |
| 14 | % of shareholding | 100% | 100% | 100% Shareholding of TKM Global Logistics Limited | 100% Shareholding of TKM Global Logistics Limited |

**Closing exchange rate as on March'31, 2024 has been considered for calculation.*

**PART "B": Associates and Joint Ventures:**

The Company does not have any associates/Joint Ventures as on 31st March, 2024. Hence, there is nothing to Report.





# TM INTERNATIONAL LOGISTICS LIMITED
# INDEPENDENT AUDITOR'S REPORT

*To the Members of TM International Logistics Limited*

## Report on the Audit of the Standalone Financial Statements

### Opinion

1. We have audited the accompanying Standalone Financial Statements of TM International Logistics Limited ("the Company"), which comprise the Standalone Balance Sheet as at March 31, 2024, and 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 for the year then ended, and notes to the Standalone Financial Statements, including material accounting policy information and other explanatory information (hereinafter referred to as "the Standalone Financial Statements").

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, total comprehensive income (comprising of profit and other comprehensive income), its changes in equity and its cash flows for the year then ended.

### Basis for Opinion

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

### Other Information

4. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors' Report, but does not include the Standalone Financial Statements and our auditor's report thereon.

Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

6. In preparing the Standalone Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Board of Directors are also responsible for overseeing the Company's financial reporting process.

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

7. 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.

8. As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional scepticism 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 Standalone Financial Statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

9. 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.

10. 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

11. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

12. 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, except that the backup of certain books of account and other books and papers maintained in electronic mode has not been maintained on a daily basis on servers physically located in India and for the matters stated in paragraph 12(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended) ("the Rules").

(c) The Standalone Balance Sheet, the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid Standalone Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.

(e) On the basis of the written representations received from the directors taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024, from being appointed as a director in terms of Section 164(2) of the Act.

(f) With respect to the maintenance of accounts and other matters connected therewith, reference is made to our remarks in paragraph 12(b) above on reporting under Section 143(3)(b) and paragraph 12(h)(vi) below on reporting under Rule 11(g) of the Rules.

(g) With respect to the adequacy of the internal financial controls with reference to Standalone Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

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

i. The Company has disclosed the impact of pending litigations as at March 31, 2024 on its financial position in its Standalone Financial Statements – Refer Note 36 to the Standalone Financial Statements;

ii. The Company was not required to recognise a provision as at March 31, 2024 under the applicable law or accounting standards, as it does not have any material foreseeable losses on long-term contracts. The Company did not have any derivative contracts as at March 31, 2024.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2024.

iv. (a) The Management has represented that, to the best of its knowledge and belief, and as disclosed in Note 53(f)(i) to the Standalone Financial Statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The Management has represented that, to the best of its knowledge and belief, and as disclosed in Note 53(f)(ii) to the Standalone Financial Statements, no funds have been received by the Company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

v. The dividend declared and paid during the year by the Company is in compliance with Section 123 of the Act.

vi. Based on our examination, which included test checks, the Company has used accounting software for maintaining its books of account which have a feature of recording audit trail (edit log) facility and that has operated throughout the year for all relevant transactions recorded in the software, except that (i) at application level, in case of one accounting software, the audit trail is not maintained in case of modification by certain users with specific access; and (ii) at database level, in case of an accounting software audit trail feature did not operate throughout the year to log any direct data changes and the audit trail of modification does not capture the pre-modified values, whereas for another accounting software in the absence of appropriate evidence, we are unable to comment on the audit trail feature. Further, during the course of our audit except for the aforesaid instances where we are not able to comment upon, we did not notice any instance of audit trail feature being tampered with.

13. The Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

**For Price Waterhouse & Co Chartered Accountants LLP**
**Firm Registration Number: 304026E/E300009**

**Dhiraj Kumar**
Partner
Membership Number: 060466
UDIN: 24060466BKFNIO6338

Place: Kolkata
Date: April 25, 2024

TM INTERNATIONAL LOGISTICS LIMITED

# ANNEXURE A TO INDEPENDENT AUDITOR'S REPORT

*Referred to in paragraph 12(g) of the Independent Auditor's Report of even date to the members of TM International Logistics Limited on the Standalone Financial Statements as of and for the year ended March 31, 2024*

## Report on the Internal Financial Controls with reference to Standalone Financial Statements under clause (i) of sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls with reference to Standalone Financial Statements of TM International Logistics Limited ("the Company") as of March 31, 2024 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

## Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, 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 Act.

## Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to Standalone Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. 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 Standalone Financial Statements was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to Standalone Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Standalone Financial Statements included obtaining an understanding of internal financial controls with reference to Standalone Financial Statements, 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.

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

## Meaning of Internal Financial Controls with reference to Financial Statements

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

## Inherent Limitations of Internal Financial Controls with reference to Financial Statements

7. 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.

## Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to Standalone Financial Statements and such internal financial controls with reference to Standalone Financial Statements were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI.

**For Price Waterhouse & Co Chartered Accountants LLP**
**Firm Registration Number: 304026E/E300009**

**Dhiraj Kumar**
Partner
Membership Number: 060466
UDIN: 24060466BKFNIO6338

Place: Kolkata
Date: April 25, 2024

TM INTERNATIONAL LOGISTICS LIMITED

# ANNEXURE B TO INDEPENDENT AUDITOR'S REPORT

*Referred to in paragraph 11 of the Independent Auditor's Report of even date to the members of TM International Logistics Limited on the Standalone Financial Statements as of and for the year ended March 31, 2024*

In terms of the information and explanations sought by us and furnished by the Company, and the books of account and records examined by us during the course of our audit, and to the best of our knowledge and belief, we report that:

i. (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of Property, Plant and Equipment.

(B) The Company is maintaining proper records showing full particulars of Intangible Assets.

(b) The Property, Plant and Equipment of the Company have been physically verified by the Management during the year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.

(c) The Company does not own any immovable properties (Refer Note 4 on Property, Plant and Equipment to the Standalone Financial Statements). Accordingly, reporting under clause 3(i)(c) of the Order is not applicable to the Company.

(d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets during the year. Consequently, the question of our commenting on whether the revaluation is based on the valuation by a Registered Valuer, or specifying the amount of change, if the change is 10% or more in the aggregate of the net carrying value of each class of Property, Plant and Equipment (including Right of Use assets) or Intangible Assets does not arise.

(e) Based on the information and explanations furnished to us, no proceedings have been initiated on or are pending against the Company for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) [formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)] and Rules made thereunder, and therefore the question of our commenting on whether the Company has appropriately disclosed the details in its Standalone Financial Statements does not arise.

ii. (a) The physical verification of inventory has been conducted at reasonable intervals by the Management during the year and, in our opinion, the coverage and procedures of such verification by Management is appropriate. The discrepancies noticed on physical verification of inventory as compared to book records were not 10% or more in aggregate for each class of inventory.

(b) During the year, the Company has been sanctioned working capital limits in excess of Rs. 5 Crores, in aggregate, from banks on the basis of security of current assets. The Company has filed quarterly returns or statements with such banks, which are in agreement with the unaudited books of account other than those as set out below.

| Name of the Bank | Aggregate working capital limits sanctioned (Rs. in Lakhs) | Nature of Current Assets offered as Security | Quarter ended | Amount disclosed as per quarterly returns/ statements (Rs. in Lakhs) | Amount as per books of account (Rs. in Lakhs) | Difference (Rs. in Lakhs) | Reasons for difference |
|---|---|---|---|---|---|---|---|
| HDFC Bank | 6,750 | Exclusive charge on Stock and Book Debt | June 30, 2023 | 25,283.20 | 25,305.38 | (22.18) | Incorrect amount of Gross Trade Receivables. |

iii. (a) The Company has not made any investments during the year other than investments in four mutual fund schemes. The Company has not granted secured/unsecured loans/advances in nature of loans to any companies, firms, Limited Liability Partnerships and other parties during the year other than loans to thirteen employees. The Company did not stand guarantee or provided security to any company/firm/Limited Liability Partnership/other party during the year. The aggregate amount during the year, and balance outstanding at the balance sheet date with respect to such loans to employees are as per the table given below:

| Particulars | Loans (Rs. in Lakhs) |
|---|---|
| Aggregate amount granted during the year | |
| - Others | 38.85 |
| Balance outstanding as at Balance Sheet date in respect of the above cases | |
| - Others | 26.34 |

Also, refer Note 8 on Loans to the Standalone Financial Statements.

(b) In respect of aforesaid investments and loans, the terms and conditions under which such investments were made and loans were granted are not prejudicial to the Company's interest.

(c) In respect of loans to employees, the schedule of repayment of principal and payment of interest has been stipulated, and the parties are repaying the principal amounts, as stipulated, and are also regular in payment of interest as applicable.

(d) In respect of loans to employees, there is no amount which is overdue for more than ninety days.

(e) There were no loans which have fallen due during the year and were renewed/extended. Further, no fresh loans were granted to the same parties to settle the existing overdue loans.

(f) The loans granted during the year had stipulated the scheduled repayment of principal and payment of interest and the same were not repayable on demand. There were no loans which were granted during the year to promoters/related parties.

iv. In our opinion, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of the loans and investments made, and guarantees and security provided by it, as applicable.

v. The Company has not accepted any deposits or amounts which are deemed to be deposits referred in Sections 73, 74, 75 and 76 of the Act and the Rules framed there under.

vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

vii. (a) In our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of provident fund, income tax, professional tax, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including employees' state insurance, sales tax, service tax, duty of customs, duty of excise, value added tax, cess, goods and services tax and other material statutory dues, as applicable, with the appropriate authorities.

(b) The particulars of statutory dues referred to in sub-clause (a) as at March 31, 2024 which have not been deposited on account of a dispute, are as follows:

| Name of the statute | Nature of dues | Amount (net of payments) (Rs. in Lakhs) | Amount paid (Rs. in Lakhs) | Period to which the amount relates | Forum where the dispute is pending |
|---|---|---|---|---|---|
| Finance Act, 1994 | Service Tax | 85.28 | 10.00 | FY 2004-05 to FY 2007-08 | Customs, Excise and Service Tax Appellate Tribunal |
| | | 107.19 | 12.71 | FY 2011-12 and FY 2012-13 | Customs, Excise and Service Tax Appellate Tribunal |
| Income Tax Act, 1961 | Income Tax | 21.55 | 2.11 | FY 2009-10 | Commissioner of Income Tax (Appeals) |
| | | 104.13 | - | FY 2012-13 | Commissioner of Income Tax (Appeals) |
| | | 14.49 | - | FY 2015-16 | Income Tax Appellate Tribunal |
| | | 35.10 | - | FY 2016-17 | Commissioner of Income Tax (Appeals) |
| Customs Act, 1962 | Customs Duty | 0.93 | 0.07 | FY 2022-23 | Customs, Excise & Service Tax Appellate Tribunal |
| Goods and Services Tax Act, 2017 | Goods and Services Tax | 13.20 | 0.64 | FY 2017-18 | Commissioner (Appeals) |
| | | 25.60 | 1.42 | FY 2018-19 and 2019-20 | Commissioner (Appeals) |

The following matters have been decided in favour of the Company although the department has preferred appeals at higher levels:

| Name of the statute | Nature of dues | Amount (net of payments) (Rs. in Lakhs) | Amount paid (Rs. in Lakhs) | Period to which the amount relates | Forum where the dispute is pending |
|---|---|---|---|---|---|
| Customs Act, 1962 | Customs Duty | 10.00 | - | FY 2004-05 to FY 2009-10 | Supreme Court |
| | | 100.00 | - | FY 2005-06 to FY 2009-10 | Supreme Court |

viii. There are no transactions previously unrecorded in the books of account that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

ix. (a) As the Company did not have any loans or other borrowings from any lender during the year, the reporting under clause 3(ix)(a) of the Order is not applicable to the Company.

(b) On the basis of our audit procedures, we report that the Company has not been declared Wilful Defaulter by any bank or financial institution or government or any government authority.

(c) The Company has not obtained any term loans. Accordingly, reporting under clause 3(ix)(c) of the Order is not applicable to the Company.

(d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the Standalone Financial Statements of the Company, we report that no funds raised on short-term basis have been utilised for long-term purposes by the Company.

(e) On an overall examination of the Standalone Financial Statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures as applicable.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies, as applicable.

x. (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under clause 3(x)(a) of the Order is not applicable to the Company.

(b) The Company has not made any preferential allotment or private placement of shares or fully or partially or optionally convertible debentures during the year. Accordingly, the reporting under clause 3(x)(b) of the Order is not applicable to the Company.

xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

(b) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable to the Company.

(c) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, the Company has received whistle-blower complaints during the year, which have been considered by us for any bearing on our audit and reporting under this clause.

xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the reporting under clause 3(xii) of the Order is not applicable to the Company.

xiii. The Company has entered into transactions with related parties in compliance with the provisions of Section 188 of the Act. The details of related party transactions have been disclosed in the Standalone Financial Statements as required under Indian Accounting Standard 24 "Related Party Disclosures" specified under Section 133 of the Act. Further, the Company has constituted an Audit Committee voluntarily, though the provisions of Section 177 of the Act do not apply to the Company and accordingly, to this extent, the reporting under clause 3(xiii) of the Order is not applicable to the Company.

xiv. (a) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) The reports of the Internal Auditor for the period under audit have been considered by us.

xv. In our opinion, the Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the reporting on compliance with the provisions of Section 192 of the Act under clause 3(xv) of the Order is not applicable to the Company.

xvi. (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under clause 3(xvi)(a) of the Order is not applicable to the Company.

(b) The Company has not conducted non-banking financial/ housing finance activities during the year. Accordingly, the reporting under clause 3(xvi)(b) of the Order is not applicable to the Company.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.

(d) Based on the information and explanations provided by the management of the Company, the Group [as defined in the Core Investment Companies (Reserve Bank) Directions, 2016] does not have any CICs, which are part of the Group. We have not, however, separately evaluated whether the information provided by the management is accurate and complete. Accordingly, the reporting under clause 3(xvi)(d) of the Order is not applicable to the Company.

xvii. The Company has not incurred any cash losses in the financial year or in the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors during the year and accordingly the reporting under clause 3(xviii) of the Order is not applicable to the Company.

xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the Standalone Financial Statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date will get discharged by the Company as and when they fall due.

xx. As at balance sheet date, the Company does not have any amount remaining unspent under Section 135(5) of the Act. Accordingly, reporting under clause 3(xx) of the Order is not applicable to the Company.

xxi. The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of Standalone Financial Statements. Accordingly, no comment in respect of the said clause has been included in this report.

**For Price Waterhouse & Co Chartered Accountants LLP**
**Firm Registration Number: 304026E/E300009**

**Dhiraj Kumar**
Partner
Membership Number: 060466
UDIN: 24060466BKFNIO6338

Place: Kolkata
Date: April 25, 2024

TM International Logistics Limited

## Standalone Balance Sheet as at March 31, 2024

₹ in Lakhs

| | Note | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| **I ASSETS** | | | |
| **(1) Non-current Assets** | | | |
| (a) Property, Plant and Equipment | 4 | 7,998.45 | 3,258.42 |
| (b) Intangible Assets | 5 | 3,280.57 | 3,768.61 |
| (c) Right-of-use Assets | 6 | 100,508.60 | 30,633.86 |
| (d) Intangible Assets under Development | 51(b) | 34.75 | 5.85 |
| (e) Financial Assets | | | |
| (i) Investments | 7 | 639.57 | 639.57 |
| (ii) Loans | 8 | 49.12 | 55.80 |
| (iii) Other Financial Assets | 9 | 732.15 | 689.62 |
| (f) Non-Current Tax Assets (Net) | 10 | 2,033.71 | 2,808.82 |
| (g) Deferred Tax Assets (Net) | 47 | 1,042.63 | 1,217.12 |
| (h) Other Non-Current Assets | 11 | 496.20 | 215.34 |
| **Total Non-current Assets** | | **116,815.75** | **43,293.01** |
| **(2) Current Assets** | | | |
| (a) Inventories | 12 | 196.58 | 236.77 |
| (b) Financial Assets | | | |
| (i) Investments | 13 | 807.65 | 2,472.76 |
| (ii) Trade Receivables | 14 | 17,581.53 | 18,464.78 |
| (iii) Cash and Cash Equivalents | 15 | 4,770.80 | 2,478.64 |
| (iv) Other Bank Balances | 16 | - | 3,541.98 |
| (v) Loans | 17 | 28.16 | 27.46 |
| (vi) Other Financial Assets | 18 | 4,708.24 | 2,883.22 |
| (c) Other Current Assets | 19 | 9,989.55 | 6,131.32 |
| **Total Current Assets** | | **38,082.51** | **36,236.93** |
| **Total Assets** | | **154,898.26** | **79,529.94** |
| **II EQUITY AND LIABILITIES** | | | |
| **EQUITY** | | | |
| (a) Equity Share Capital | 20 | 1,800.00 | 1,800.00 |
| (b) Other Equity | 21 | 26,165.69 | 23,847.93 |
| **Total Equity** | | **27,965.69** | **25,647.93** |
| **LIABILITIES** | | | |
| **(1) Non-current Liabilities** | | | |
| (a) Financial Liabilities | | | |
| (i) Lease Liabilities | 22 | 83,655.39 | 21,933.94 |
| (ii) Other Financial Liabilities | 23 | 205.55 | 192.10 |
| (b) Provisions | 24 | 1,328.13 | 2,242.93 |
| **Total Non-current Liabilities** | | **85,189.07** | **24,368.97** |
| **(2) Current Liabilities** | | | |
| (a) Financial Liabilities | | | |
| (i) Lease Liabilities | 25 | 17,974.80 | 10,032.64 |
| (ii) Trade Payables | 26 | | |
| (a) Total Outstanding dues of Micro and Small Enterprises | | 797.80 | 494.56 |
| (b) Total Outstanding dues of Creditors other than Micro and Small Enterprises | | 13,417.12 | 11,901.20 |
| (iii) Other Financial Liabilities | 27 | 1,286.25 | 1,476.62 |
| (b) Provisions | 28 | 1,573.19 | 961.70 |
| (c) Other Current Liabilities | 29 | 6,694.34 | 4,646.32 |
| **Total Current Liabilities** | | **41,743.50** | **29,513.04** |
| **Total Liabilities** | | **126,932.57** | **53,882.01** |
| **Total Equity and Liabilities** | | **154,898.26** | **79,529.94** |

*The accompanying Notes form an integral part of the Standalone Balance Sheet.*
*This is the Standalone Balance Sheet referred to in our report of even date.*

**For Price Waterhouse & Co Chartered Accountants LLP**
**Firm Registration No. 304026E / E300009**

**For and on behalf of the Board of Directors**

**Dhiraj Kumar**
Partner
Membership Number: 060466

**Dinesh Shastri**
Managing Director
DIN: 02069346

**Peeyush Gupta**
Chairman
DIN: 02840511

**Jyoti Purohit**
Company Secretary
Place: Kolkata
Date: 25th April 2024

**Nandan Nandi**
Chief Financial Officer

Place: Kolkata
Date: 25th April 2024





TM International Logistics Limited

## Standalone Statement of Profit and Loss for the Year ended March 31, 2024

₹ in Lakhs

| | | Note No | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|---|---|
| I | Revenue from Operations | 30 | 103,936.51 | 73,442.23 |
| II | Other Income | 31 | 23,559.29 | 4,535.53 |
| **III** | **Total Income (I + II)** | | **127,495.80** | **77,977.76** |
| **IV** | **Expenses** | | | |
| | (a) Operational Expenses | 32 | 74,609.88 | 51,462.20 |
| | (b) Employee Benefits Expense | 33 | 5,408.36 | 4,752.92 |
| | (c) Finance Costs | 34 | 4,478.03 | 1,986.20 |
| | (d) Depreciation and Amortization Expense | 4, 5 & 6 | 12,020.34 | 8,451.26 |
| | (e) Other Expenses | 35 | 5,719.93 | 5,084.44 |
| | **Total Expenses (a to e)** | | **102,236.54** | **71,737.02** |
| **V** | **Profit Before Tax (III-IV)** | | **25,259.26** | **6,240.74** |
| **VI** | **Income Tax Expense** | | **840.82** | 761.67 |
| | (a) Current Tax | 46 | 666.33 | 746.58 |
| | (b) Deferred Tax | 47 | 174.49 | 15.09 |
| **VII** | **Profit for the Year (V-VI)** | | **24,418.44** | **5,479.07** |
| **VIII** | **Other Comprehensive Income** | | | |
| | Items that will not be Reclassified to Profit or Loss | | | |
| | (a) Remeasurements of Post Employment Defined Benefit Obligations | | **(134.53)** | 53.94 |
| | (b) Income tax on above | 46 | **33.85** | (13.57) |
| **IX** | **Total Comprehensive Income for the Year (VII+VIII)** | | **24,317.76** | **5,519.44** |
| **X** | **Earnings per Equity Share** | 42 | | |
| | (a) Basic | | **135.66** | 30.44 |
| | (b) Diluted | | **135.66** | 30.44 |

*The accompanying Notes form an integral part of the Standalone Statement of Profit and Loss.*
*This is the Standalone Statement of Profit and Loss referred to in our report of even date.*

**For Price Waterhouse & Co Chartered Accountants LLP**
**Firm Registration No. 304026E / E300009**

**For and on behalf of the Board of Directors**

**Dhiraj Kumar**
Partner
Membership Number: 060466

**Dinesh Shastri**
Managing Director
DIN: 02069346

**Peeyush Gupta**
Chairman
DIN: 02840511

**Jyoti Purohit**
Company Secretary
Place: Kolkata
Date: 25th April 2024

**Nandan Nandi**
Chief Financial Officer

Place: Kolkata
Date: 25th April 2024

TM International Logistics Limited

## Standalone Statement of Changes in Equity for the Year ended March 31, 2024

₹ in Lakhs

| A Equity Share Capital (Refer Note 20) | For the Year ended 31st March 2024 | For the Year ended 31st March 2023 |
|---|---|---|
| **Balance at the beginning of the Year** | **1,800.00** | 1,800.00 |
| Changes in Equity Share Capital during the Year | - | - |
| **Balance at the end of the Year** | **1,800.00** | 1,800.00 |

₹ in Lakhs

| B Other Equity (Refer Note 21) | For the Year ended 31st March 2024 | | |
|---|---|---|---|
| | General Reserves | Retained Earnings | Total |
| **Balance as at 1st April 2023** | **7,716.76** | **16,131.17** | **23,847.93** |
| Profit for the Year | - | 24,418.44 | **24,418.44** |
| Other Comprehensive Income for the Year | - | (100.68) | **(100.68)** |
| Dividend paid during the Year | - | (22,000.00) | **(22,000.00)** |
| **Balance as at 31st March 2024** | **7,716.76** | **18,448.93** | **26,165.69** |

₹ in Lakhs

| Other Equity | For the Year ended 31st March 2023 | | |
|---|---|---|---|
| | General Reserves | Retained Earnings | Total |
| **Balance as at 1st April 2022** | **7,716.76** | **13,911.73** | **21,628.49** |
| Profit for the Year | - | 5,479.07 | 5,479.07 |
| Other Comprehensive Income for the Year | - | 40.37 | 40.37 |
| Dividend paid during the Year | - | (3,300.00) | (3,300.00) |
| **Balance as at 31st March 2023** | **7,716.76** | **16,131.17** | **23,847.93** |

*The accompanying Notes form an integral part of the Standalone Statement of Changes in Equity.*
*This is the Standalone Statement of Changes in Equity referred to in our report of even date.*

**For Price Waterhouse & Co Chartered Accountants LLP**
**Firm Registration No. 304026E / E300009**

**For and on behalf of the Board of Directors**

**Dhiraj Kumar**
Partner
Membership Number: 060466

**Dinesh Shastri**
Managing Director
DIN: 02069346

**Peeyush Gupta**
Chairman
DIN: 02840511

**Jyoti Purohit**
Company Secretary

**Nandan Nandi**
Chief Financial Officer

Place: Kolkata
Date: 25th April 2024

Place: Kolkata
Date: 25th April 2024





TM International Logistics Limited

## Standalone Statement of Cash Flows for the Year ended March 31, 2024

₹ in Lakhs

| | Note No | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|---|
| **A. CASH FLOW FROM OPERATING ACTIVITIES** | | | |
| Profit Before Tax | | **25,259.26** | 6,240.74 |
| Adjustments for: | | | |
| Depreciation / Amortisation Expenses | | **12,020.34** | 8,451.26 |
| Gain on Modification/Termination of Lease Arrangement | | **(41.36)** | (39.02) |
| Interest and finance charges on lease liabilities and financial liabilities not at fair value through profit or loss | 34 | **4,398.00** | 1,904.71 |
| (Gain) / Loss on Disposal of Property, Plant & Equipment (Net) | 31/35 | **0.01** | (11.77) |
| Profit on Sale of Investments (including Fair Value changes in Mutual Fund) | 31 | **(216.58)** | (137.81) |
| Interest Income | 31 | **(187.26)** | (333.12) |
| Dividend Income from Subsidiaries | 31 | **(22,113.01)** | (3,300.00) |
| **Operating Profit before Changes in Operating Assets and Liabilities** | | **19,119.40** | **12,774.99** |
| Changes in Operating Assets and Liabilities | | | |
| (Increase) / Decrease in Trade Receivables | | **883.25** | 892.60 |
| (Increase) / Decrease in Financial Assets | | **(2,130.27)** | (1,129.33) |
| (Increase) / Decrease in Loans | | **5.98** | (19.36) |
| (Increase) / Decrease in Other Assets | | **(4,250.49)** | 1,848.96 |
| (Increase) / Decrease in Inventories | | **40.18** | (37.60) |
| Increase / (Decrease) in Trade Payables | | **1,786.77** | 104.15 |
| Increase / (Decrease) in Financial Liabilities | | **(145.99)** | (517.96) |
| Increase / (Decrease) in Other Liabilities | | **2,048.01** | (2,867.30) |
| Increase / (Decrease) in Provisions | | **(437.83)** | 17.23 |
| Cash Generated from Operations | | **16,919.01** | 11,066.38 |
| Direct Taxes Paid (Net of Refund) | | **142.65** | (456.31) |
| **Net Cash from/(used in) Operating Activities** | | **17,061.66** | **10,610.07** |
| **B. CASH FLOW FROM INVESTING ACTIVITIES** | | | |
| Payment for Acquisition/Construction of Property, Plant & Equipment & Intangible Assets | | **(5,525.53)** | (1,050.69) |
| Proceeds from Disposal of Property, Plant & Equipment | | **6.07** | 15.87 |
| Proceeds from Maturity of Deposits with Banks | | **63,083.02** | 79,313.55 |
| Payments for Placing of Deposits with Banks | | **(59,369.72)** | (75,463.54) |
| Sale of Investments in Mutual Funds | | **70,981.69** | 29,865.05 |
| Purchase of Investments In Mutual Funds | | **(69,100.00)** | (32,200.00) |
| Dividend Received from Subsidiaries | | **22,113.01** | 3,300.00 |
| Interest Received | | **278.67** | 358.67 |
| **Net Cash from/(used in) Investing Activities** | | **22,467.21** | **4,138.91** |
| **C. CASH FLOW FROM FINANCING ACTIVITIES** | | | |
| Principal Elements of Lease Payments | | **(10,871.10)** | (7,262.29) |
| Interest Elements of Lease Payments | | **(4,365.61)** | (1,884.44) |
| Dividend Paid | | **(22,000.00)** | (3,300.00) |
| **Net Cash from/(used in) Financing Activities** | | **(37,236.71)** | **(12,446.73)** |
| **Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)** | | **2,292.16** | **2,302.25** |
| **Cash and Cash Equivalents at the Beginning of the Year** | 15 | **2,478.64** | **176.39** |
| **Cash and Cash Equivalents at the End of the Year** | 15 | **4,770.80** | **2,478.64** |

*The above Standalone Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in Ind AS-7 'Statement of Cash Flows'.*
*The accompanying Notes form an integral part of the Standalone Statement of Cash Flows.*
*This is the Standalone Statement of Cash Flows referred to in our report of even date.*

**For Price Waterhouse & Co Chartered Accountants LLP**
**Firm Registration No. 304026E / E300009**

**For and on behalf of the Board of Directors**

**Dhiraj Kumar**
Partner
Membership Number: 060466

**Dinesh Shastri**
Managing Director
DIN: 02069346

**Peeyush Gupta**
Chairman
DIN: 02840511

**Jyoti Purohit**
Company Secretary
Place: Kolkata
Date: 25th April 2024

**Nandan Nandi**
Chief Financial Officer

Place: Kolkata
Date: 25th April 2024

TM International Logistics Limited
Notes forming part of the Standalone Financial Statements for the Year ended 31st March 2024

**1 Company Background**

TM International Logistics Limited ('TMILL' or 'the Company') is a public limited company incorporated in India with its registered office in Kolkata, West Bengal, India. TMILL is a Joint Venture between Tata Steel Limited (51%), IQ Martrade of Germany (23%), and Nippon Yusen Kaisha- NYK (26%). TMILL is in the business of Port Operation, material transportation through railways and related services. The Company offers a broad range of services in Port handling and storing Bulk, Break Bulk, Project Cargo with related services of Agency business, Custom Clearance, Warehousing operations, etc.

The Standalone Financial Statements were approved and authorised for issue with the resolution of the Company's Board of Directors on 25th April 2024.

**2 Material Accounting Policies**

This Note provides a list of the material accounting policies adopted in the preparation of these Standalone Financial Statements. These policies have been consistently applied to all the years presented, unless otherwise stated. These Standalone Financial Statements are the separate financial statements of the Company.

**2.1 Basis of Preparation**

**(i) Compliance with Ind AS**

The Standalone Financial Statements comply in all material aspects with Indian Accounting Standards ("Ind AS") notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

**(ii) Historical Cost Convention**

The Standalone Financial Statements have been prepared on a historical cost basis, except for the following:

a) certain financial assets and liabilities which are measured at fair value;

b) defined benefit plans - plan assets measured at fair value.

**(iii) New and amended standards adopted by the Company**

The Ministry of Corporate Affairs, vide notification dated 31st March, 2023, had notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amended certain accounting standards with effect from 1st April, 2023. These amendments did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

**(iv) Current versus Non-current Classification**

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

- expected to be realised or intended to be sold or consumed in normal operating cycle,
- held primarily for the purpose of trading,
- expected to be realised within twelve months after the reporting period, or
- cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

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

All other liabilities are classified as non-current.

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

**2.2 Property, Plant and Equipment**

An item of property, plant and equipment is recognised as an asset if it is probable that future economic benefits associated with the item will flow to the Company and its cost can be measured reliably. This recognition principle is applied to the costs incurred initially to acquire an item of property, plant and equipment and also to costs incurred subsequently to add to, replace part of, or service it. All other repair and maintenance costs, including regular servicing, are recognised as an expense in the Statement of Profit and Loss as incurred. When a replacement occurs, the carrying amount of the replaced part is derecognised.

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment losses. Cost includes all direct costs and expenditures incurred to bring the asset to its working condition and location for its intended use.

Gain or loss arising on disposal of an asset is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

**Depreciation Method and Estimated Useful lives**

Depreciation is calculated on a pro-rata basis using the straight-line method to allocate their cost, over their estimated useful values in accordance with Schedule II to the Act, except in respect of Vehicles, Buildings constructed on the Leased Land and certain Plant and Equipment, after taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, etc.

The estimated useful lives for the main categories of property, plant and equipment are:

| Type of Asset | Estimated Useful life |
|---|---|
| Buildings Constructed on the Leased Land | Upto 30 years |
| Non-Factory Building | 60 years |
| Plant and Equipment | 7 -15 years |
| Vehicles | 5 years |
| Office Equipment | 5 years |
| Furniture and Fixtures | 10 years |
| Computers-Desktop, Laptops etc. | 3 years |
| Computers-Servers | 6 years |

The useful lives, residual values and the method of depreciation of property, plant and equipment are reviewed, and adjusted if appropriate, at the end of each reporting period. Gains or losses on disposals are determined as difference between sale proceeds and carrying value of such items and are recognised in the Statement of Profit and Loss within 'Other Income'/'Other Expenses'. Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as 'Capital Advances'.

**2.3 Intangible Assets**

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses, if any. Amortization is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as difference between the net disposal proceeds and the carrying amount of the asset, are recognised in Statement of Profit and Loss.

The estimated useful lives for the main categories of intangible assets are:

| Type of Asset | Estimated Useful life |
|---|---|
| Operational Rights under Service Concession | 30 years |
| Special Freight Train Operator License | 20 years |
| Software | 5 years |

**2.4 Impairment of Non-financial Assets**

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows, which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units).

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount so that the increased carrying amount does not exceed the carrying value that would have been determined had no impairment loss been recognised for the asset (or cash generating unit) in prior year. A reversal of an impairment loss is recognised in the Statement of Profit and Loss immediately.

**2.5 Leases**

**As a Lessee**

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company. Contracts may contain both lease and non-lease components. The Company allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Company is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the fixed payments (including in-substance fixed payments)

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Company uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Company, which does not have recent third-party financing and make adjustments specific to the lease e.g. term, country, etc.

The Company is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date, and
- any initial direct costs

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of building are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

**As a Lessor**

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income. The respective leased assets are included in the balance sheet based on their nature.

**2.6 Financial Instruments**

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the Statement of Profit and Loss.

**A. Investment in Subsidiaries**

Investments in subsidiaries are stated at cost less provision for impairment loss, if any. Investments are tested for impairment wherever event or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of investments exceeds its recoverable amount.

**B. Investments (Other than Investments in Subsidiaries) and Other Financial Assets**

**(i) Classification**

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of cash flows.

For assets measured at fair value, gains or losses is recorded in either the profit or loss or other comprehensive income. For investments in debt instruments, this depends on the business model in which the investment is held. For investments in equity instruments, this depends on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

**(ii) Measurement**

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset.

Transaction costs of financial assets carried at fair value through profit or loss are recognised as expense in the Statement of Profit and Loss.

**(iii) Impairment of Financial Assets**

The Company assesses on a forward-looking basis the expected credit losses associated with its assets which are not fair valued through profit or loss. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109, 'Financial Instruments', which requires expected lifetime losses to be recognised from initial recognition of the receivables.

**(iv) Derecognition of Financial Assets**

A financial asset is derecognized only when the Company has transferred the rights to receive cash flows from the financial asset or retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognized. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognized.

Where the entity neither has transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognized if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

**(v) Fair Value of Financial Instruments**

In determining the fair value of financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis and available quoted market prices. All methods of assessing fair value result in general approximation of value, and such value may never actually be realised.

**(vi) Offsetting Financial Instruments**

Financial assets and liabilities are offset and the net amount is reported in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

**2.7 Trade Receivables**

Trade receivables are amounts due from customers for services rendered in the ordinary course of business. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

**2.8 Cash and Cash Equivalents**

For the purpose of presentation in the Statement of Cash Flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**2.9 Trade Payables**

Trade Payables represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and are subsequently measured at amortised cost using the effective interest method where the time value of money is significant.

**2.10 Employee Benefits**

**A. Short-term Employee Benefits**

Liabilities for short-term employee benefits, that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service, are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented under 'Trade Payables - Current' in the Balance Sheet.

**B. Post-Employment Benefits**

**i) Defined Benefit Plans**

The liability or asset recognised in the Balance Sheet in respect of defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated by actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in 'Employee Benefits Expense' in the Statement of Profit and Loss. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the year in which they occur, directly in Other Comprehensive Income. These are included in 'Retained Earnings' in the Statement of Changes in Equity.

TM International Logistics Limited
## Notes forming part of the Standalone Financial Statements for the Year ended 31st March 2024

**ii) Defined Contribution Plans**

Contributions under Defined Contribution Plans payable in keeping with the related schemes are recognised as expenses for the year in which the employee has rendered the service.

**C. Other Long-term Employee Benefits**

The liabilities for compensated absences which are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are considered as other long-term employee benefits. They are therefore measured by actuaries as the present value of expected future benefits in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in the Statement of Profit and Loss.

The obligations are presented under 'Provision for Employee Benefits' within 'Provisions' in the Balance Sheet.

**2.11 Income Tax**

The income tax expense for the year is the tax payable on the current year's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences, unused tax credits and unused tax losses.

The current tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Standalone Financial Statements.

Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction impacts neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences, tax credits and losses.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax are recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity, if any. In this case, the tax is also recognised in Other Comprehensive Income or directly in equity, respectively.

**2.12 Provisions and Contingencies**

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

A disclosure for contingent liabilities is made when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources embodying economic benefits will be required to settle or a reliable estimate of the amount cannot be made.

**2.13 Revenue Recognition**

Revenue from contracts with customers are recognised when services promised in the contract are transferred to the customer. The amount of revenue recognised depicts the transfer of promised services to customers for an amount that reflects the consideration to which the Company is entitled to in exchange for the services rendered.

TM International Logistics Limited
Notes forming part of the Standalone Financial Statements for the Year ended 31st March 2024

**Sale of Services and Other Operating Revenue**

Revenue from sale of services and other operating revenue are recognised when services are transferred to the customer i.e. when the Company satisfies the performance obligation with respect to the services being rendered, risk of loss have been transferred to the customer and either the customer has accepted the services in accordance with the contract or the acceptance provisions have elapsed or the Company has objective evidence that all criteria for acceptance have been satisfied. Revenue from sale of services are recognised based on the price specified in the contract, which is fixed. No element of financing is deemed present as the sales are made against the receipt of advance or with an agreed credit period, which is consistent with the market practices. A receivable is recognised when the services are transferred, as this is the point in time that the consideration is unconditional because only passage of time is required before payment is due.

The Company does not have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

**Dividend Income**

Dividend is recognised as other income in the Statement of Profit and Loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

**2.14 Earnings per Share**

**Basic Earnings per Share**

Basic earnings per equity share is computed by dividing profit or loss attributable to owners of the Company by the weighted average number of equity shares outstanding during year end.

**2.15 Segment Reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). The Board of Directors is collectively the Company's CODM. Based on the synergies, risks and returns associated with business operations and in terms of Ind AS 108, the CODM of the Company has assessed that the Company is predominantly engaged in the business of a single reportable segment of Logistics Service Provider during the year

**3 Use of Estimates and Critical Accounting Judgments**

The preparation of Standalone Financial Statements in conformity with Ind AS requires management to make judgments, estimates and assumptions, that impact the application of accounting policies and the reported amounts of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities at the date of these Standalone Financial Statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates.

The estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised and future year impacted.

This Note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each impacted line item in the Standalone Financial Statements.

The areas involving critical estimates or judgements are:

**A. Employee Benefits (Estimation of Defined Benefit Obligation)**

Post-employment benefits represent obligation that will be settled in the future and require assumptions to project benefit obligations. Post-employment benefit accounting is intended to reflect the recognition of future benefit cost over the employee's approximate service period, based on the terms of plans and the investment and funding decisions made. The accounting requires the company to make assumptions regarding variables such as discount rate, rate of compensation increase and future mortality rates. Changes in these key assumptions can have a significant impact on the defined benefit obligations funding requirements and benefit costs incurred.

**B. Estimation of Expected Useful Lives and Residual Values of Property, Plant and Equipment and Intangible Assets**

Management reviews its estimate of useful lives of property, plant and equipment at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of Property, Plant and Equipment and Intangible Assets.

**C. Lease Liabilities**

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116 'Leases'. Identification of a lease requires significant judgement in assessing the lease term including anticipated renewals and the applicable discount rate. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If

TM International Logistics Limited

## Notes forming part of the Standalone Financial Statements for the Year ended 31st March 2024

that rate cannot be readily determined, the Company uses incremental borrowing rate.

**D. Replacement Obligation for Berth#13 at Haldia Port**

Management uses replacement cost model, wherein the assets to be replaced at the end of the period of Service Concession Agreement ('SCA') license are identified and quotations are obtained for such assets and using inflation and discount rate, liabilities as at period-end are recognised. Further, estimates are revised at the end of each year to consider change in the inflation/ discount rates and updated quotation from the vendors.

**E. Contingencies**

Legal proceedings covering a range of matters are pending against the Company. Due to the uncertainty inherent in such matters, it is often difficult to predict the final outcomes. The cases and claims against the Company often raise difficult and complex factual and legal issues that are subject to many uncertainties and complexities, including but not limited to the facts and circumstances of each particular case and claim, the jurisdiction and the differences in applicable law, in the normal course of business. The Company consults with legal counsel and certain other experts on matters related to litigations. The Company accrues a liability when it is determined that an adverse outcome is probable and the amount of the loss can be reasonably estimated. In the event an adverse outcome is possible or an estimate is not determinable, the matter is disclosed.

*₹ in Lakhs*

| 4. Property, Plant and Equipment | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **Net Carrying Amount of:** | | |
| Buildings | 308.95 | 322.76 |
| Leasehold Improvements | 472.20 | 582.42 |
| Railway Rakes | 4,991.69 | - |
| Plant and Equipments | 1,643.11 | 1,767.42 |
| Furniture and Fixtures | 191.04 | 175.49 |
| Vehicles | 142.18 | 148.49 |
| Office Equipments | 249.28 | 261.84 |
| **Total Property, Plant and Equipment** | **7,998.45** | **3,258.42** |

*₹ in Lakhs*

| Property, Plant and Equipment | As at March 31, 2024 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Buildings | Leasehold Improvements | Railway Rakes | Plant and Equipments | Furniture and Fixtures | Vehicles | Office Equipments | Total Property, Plant and Equipment |
| **Gross Carrying Amount as at 1st April 2023** | 391.38 | 819.41 | - | 2,957.91 | 253.14 | 295.95 | 508.81 | **5,226.60** |
| Additions | - | - | 5,166.73 | 190.04 | 43.08 | 47.45 | 100.67 | **5,547.97** |
| Disposals | - | - | - | (7.80) | (1.44) | (17.95) | (17.42) | **(44.61)** |
| **Gross Carrying Amount as at 31st March 2024** | **391.38** | **819.41** | **5,166.73** | **3,140.15** | **294.78** | **325.45** | **592.06** | **10,729.96** |
| **Accumulated Depreciation as at 1st April 2023** | 68.62 | 236.99 | - | 1,190.49 | 77.65 | 147.46 | 246.97 | **1,968.18** |
| Charge for the Year | 13.81 | 110.22 | 175.04 | 314.23 | 27.07 | 48.68 | 112.82 | **801.87** |
| Disposals | - | - | - | (7.68) | (0.98) | (12.87) | (17.01) | **(38.54)** |
| **Accumulated Depreciation as at 31st March 2024** | **82.43** | **347.21** | **175.04** | **1,497.04** | **103.74** | **183.27** | **342.78** | **2,731.51** |
| **Net Carrying Amount as at 1st April 2023** | **322.76** | **582.42** | **-** | **1,767.42** | **175.49** | **148.49** | **261.84** | **3,258.42** |
| **Net Carrying Amount as at 31st March 2024** | **308.95** | **472.20** | **4,991.69** | **1,643.11** | **191.04** | **142.18** | **249.28** | **7,998.45** |





TM International Logistics Limited

Notes forming part of the Standalone Financial Statements for the Year ended 31st March 2024

*₹ in Lakhs*

| Property, Plant and Equipment | As at March 31, 2023 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Buildings | Leasehold Improvements | Railway Rakes | Plant and Equipments | Furniture and Fixtures | Vehicles | Office Equipments | Total Property, Plant and Equipment |
| **Gross Carrying Amount as at 1st April 2022** | 391.38 | 819.41 | - | 2,420.60 | 219.00 | 219.64 | 444.37 | **4,514.40** |
| Additions | - | - | - | 585.14 | 36.05 | 118.90 | 99.30 | **839.39** |
| Disposals | - | - | - | (47.83) | (1.91) | (42.59) | (34.86) | **(127.19)** |
| **Gross Carrying Amount as at 31st March 2023** | **391.38** | **819.41** | **-** | **2,957.91** | **253.14** | **295.95** | **508.81** | **5,226.60** |
| **Accumulated Depreciation as at 1st April 2022** | 54.81 | 126.77 | - | 980.78 | 54.69 | 149.31 | 187.31 | **1,553.67** |
| Charge for the Year | 13.81 | 110.22 | - | 255.04 | 24.39 | 39.94 | 94.20 | **537.60** |
| Disposals | - | - | - | (45.33) | (1.43) | (41.79) | (34.54) | **(123.09)** |
| **Accumulated Depreciation as at 31st March 2023** | **68.62** | **236.99** | **-** | **1,190.49** | **77.65** | **147.46** | **246.97** | **1,968.18** |
| **Net Carrying Amount as at 1st April 2022** | **336.57** | **692.64** | **-** | **1,439.82** | **164.31** | **70.33** | **257.06** | **2,960.73** |
| **Net Carrying Amount as at 31st March 2023** | **322.76** | **582.42** | **-** | **1,767.42** | **175.49** | **148.49** | **261.84** | **3,258.42** |

Note 1 : Aggregate amount of depreciation expense has been included under "Depreciation and Amortisation Expense" in the Standalone Statement of Profit and Loss.

Note 2: The Company does not own any immovable property.

*₹ in Lakhs*

| 5. Intangible Assets | As at 31st March 2024 | As at 31st March 2023 |
|---|---|---|
| **Net Carrying Amount of:** | | |
| Softwares | 476.47 | 650.84 |
| Special Freight Train Operator License | 652.47 | 702.47 |
| Operational Rights under Service Concession Agreement Berth# 13- Haldia Port | 2,151.63 | 2,415.30 |
| **Total Intangible Assets** | **3,280.57** | 3,768.61 |

*₹ in Lakhs*

| Intangible Assets | As at March 31, 2024 | | | |
|---|---|---|---|---|
| | Softwares | Special Freight Train Operator License | Operating Rights Under Service Concession Agreement Berth#13 Haldia Port | Total Intangible Assets |
| **Gross Carrying Amount as at 1st April 2023** | 1,090.86 | 1,000.00 | 4,283.48 | **6,374.34** |
| Additions | 29.10 | - | - | **29.10** |
| Disposals | - | - | (1.25) | **(1.25)** |
| **Gross Carrying Amount as at 31st March 2024** | **1,119.96** | **1,000.00** | **4,282.23** | **6,402.19** |
| **Accumulated Amortization as at 1st April 2023** | 440.02 | 297.53 | 1,868.18 | **2,605.73** |
| Charge for the Year | 203.47 | 50.00 | 263.67 | **517.14** |
| Disposals | - | - | (1.25) | **(1.25)** |
| **Accumulated Amortization as at 31st March 2024** | **643.49** | **347.53** | **2,130.60** | **3,121.62** |
| **Net Carrying Amount as at 1st April 2023** | **650.84** | **702.47** | **2,415.30** | **3,768.61** |
| **Net Carrying Amount as at 31st March 2024** | **476.47** | **652.47** | **2,151.63** | **3,280.57** |

TM International Logistics Limited

## Notes forming part of the Standalone Financial Statements for the Year ended 31st March 2024

₹ in Lakhs

| Intangible Assets | As at March 31, 2023 | | | |
|---|---|---|---|---|
| | Softwares | Special Freight Train Operator License | Operating Rights Under Service Concession Agreement Berth#13 Haldia Port | Total Intangible Assets |
| **Gross Carrying Amount as at 1st April 2022** | 705.22 | 1,000.00 | 4,283.48 | **5,988.70** |
| Additions | 387.05 | - | - | **387.05** |
| Disposals | (1.41) | - | - | **(1.41)** |
| **Gross Carrying Amount as at 31st March 2023** | **1,090.86** | **1,000.00** | **4,283.48** | **6,374.34** |
| **Accumulated Amortization as at 1st April 2022** | 262.39 | 247.53 | 1,604.51 | **2,114.43** |
| Charge for the Year | 179.04 | 50.00 | 263.67 | **492.71** |
| Disposals | (1.41) | - | - | **(1.41)** |
| **Accumulated Amortization as at 31st March 2023** | **440.02** | **297.53** | **1,868.18** | **2,605.73** |
| **Net Carrying Amount as at 1st April 2022** | **442.83** | **752.47** | **2,678.97** | **3,874.27** |
| **Net Carrying Amount as at 31st March 2023** | **650.84** | **702.47** | **2,415.30** | **3,768.61** |

Note 1: Aggregate amount of amortization expense has been included under "Depreciation and Amortization Expense" in the Standalone Statement of Profit and Loss.

₹ in Lakhs

| 6. Right of Use Assets | As at 31st March 2024 | As at 31st March 2023 |
|---|---|---|
| **Net Carrying Amount of:** | | |
| Land & Buildings | 1,416.78 | 1,263.34 |
| Railway Rakes | 99,091.82 | 29,370.52 |
| **Total Right of Use Assets** | **100,508.60** | 30,633.86 |

₹ in Lakhs

| Right of Use Assets | As at March 31, 2024 | | |
|---|---|---|---|
| | Land & Buildings | Railway Rakes | Total Right-of-use Assets |
| **Gross Carrying Amount as at 1st April 2023** | 2,494.15 | 51,228.31 | **53,722.46** |
| Additions | 567.95 | 80,205.23 | **80,773.18** |
| Adjustment on account of Termination of Leases | (93.36) | (1,953.66) | **(2,047.02)** |
| **Gross Carrying Amount as at 31st March 2024** | **2,968.74** | **129,479.88** | **132,448.62** |
| **Accumulated Depreciation as at 1st April 2023** | 1,230.81 | 21,857.79 | **23,088.60** |
| Charge for the Year | 414.51 | 10,286.82 | **10,701.33** |
| Adjustment on account of Termination of Leases | (93.36) | (1,756.55) | **(1,849.91)** |
| **Accumulated Depreciation as at 31st March 2024** | **1,551.96** | **30,388.06** | **31,940.02** |
| **Net Carrying Amount as at 1st April 2023** | **1,263.34** | **29,370.52** | **30,633.86** |
| **Net Carrying Amount as at 31st March 2024** | **1,416.78** | **99,091.82** | **100,508.60** |





TM International Logistics Limited

Notes forming part of the Standalone Financial Statements for the Year ended 31st March 2024

₹ in Lakhs

| Right of Use Assets | As at March 31, 2023 | | |
|---|---|---|---|
| | Land & Buildings | Railway Rakes | Total Right-of-use Assets |
| **Gross Carrying Amount as at 1st April 2022** | 1,898.08 | 32,476.61 | **34,374.69** |
| Additions | 607.12 | 19,984.16 | **20,591.28** |
| Adjustment on account of Termination of Leases | (11.05) | (1,232.46) | **(1,243.51)** |
| **Gross Carrying Amount as at 31st March 2023** | **2,494.15** | **51,228.31** | **53,722.46** |
| **Accumulated Depreciation as at 1st April 2022** | 877.97 | 15,228.87 | **16,106.84** |
| Charge for the Year | 353.75 | 7,067.20 | **7,420.95** |
| Adjustment on account of Termination of Leases | (0.91) | (438.28) | **(439.19)** |
| **Accumulated Depreciation as at 31st March 2023** | **1,230.81** | **21,857.79** | **23,088.60** |
| **Net Carrying Amount as at 1st April 2022** | **1,020.11** | **17,247.74** | **18,267.85** |
| **Net Carrying Amount as at 31st March 2023** | **1,263.34** | **29,370.52** | **30,633.86** |

Note 1: Aggregate amount of depreciation expense has been included under "Depreciation and Amortization Expense" in the Standalone Statement of Profit and Loss.

Note 2: Lease Agreements of all the above leases are duly executed in the name of the Company.

₹ in Lakhs

| 7. Investments : Non-Current | As at 31st March 2024 | As at 31st March 2023 |
|---|---|---|
| **Investments Carried at Cost** | | |
| **Investments in Equity Instruments of Subsidiary Companies (Unquoted)** | | |
| International Shipping Logistics FZE, Dubai | **123.82** | 123.82 |
| 1 Share of 10,00,000 AED each, fully paid up | | |
| [31st March 2023: 1 Share of 10,00,000 AED each, fully paid up] | | |
| TKM Global Logistics Limited,India | **515.75** | 515.75 |
| 36,00,000 Shares of ₹ 10 each, fully paid up | | |
| [31st March 2023: 36,00,000 Shares of ₹ 10 each, fully paid up] | | |
| | **639.57** | 639.57 |
| **Aggregate amount of Unquoted Investments** | **639.57** | 639.57 |

₹ in Lakhs

| 8. Loans : Non-Current | As at 31st March 2024 | As at 31st March 2023 |
|---|---|---|
| **Loan to Employees** | **49.12** | 55.80 |
| | | |
| | **49.12** | 55.80 |

During the year, loans have been provided to thirteen employees amounting to Rs. 38.85 Lakhs out of which outstanding balance as at March 31, 2024 is Rs. 26.34 Lakhs which is included under Loans - Non Current: Rs. 10.50 Lakhs and Loans - Current: Rs. 15.84 Lakhs.

₹ in Lakhs

| 9. Other Financial Assets : Non-Current | As at 31st March 2024 | As at 31st March 2023 |
|---|---|---|
| **Unsecured, Considered Good** | | |
| Security Deposits # | **669.97** | 444.77 |
| Fixed Deposits with Banks (With Maturity of more than 12 Months) *@ | **58.94** | 230.26 |
| Interest Accrued on Deposits @ | **3.24** | 14.59 |
| | **732.15** | 689.62 |
| *** Earmarked amount** | **29.24** | 203.50 |
| **# Includes Dues from Related Parties (Refer Note 55)** | **147.33** | 39.67 |
| @ Financial Assets carried at Amortised Cost | | |

TM International Logistics Limited

## Notes forming part of the Standalone Financial Statements for the Year ended 31st March 2024

₹ in Lakhs

| 10. Non-Current Tax Assets (Net) | As at 31st March 2024 | As at 31st March 2023 |
|---|---|---|
| Advance Payment of Taxes* | **2,033.71** | 2,808.82 |
| | **2,033.71** | 2,808.82 |
| *** Net of Provision for Taxes** | **9,594.41** | 8,961.93 |

₹ in Lakhs

| 11. Other Non-Current Assets | As at 31st March 2024 | As at 31st March 2023 |
|---|---|---|
| Capital Advances | **60.68** | 172.06 |
| Prepaid Expenses | **435.52** | 43.28 |
| | **496.20** | 215.34 |

₹ in Lakhs

| 12. Inventories : Current | As at 31st March 2024 | As at 31st March 2023 |
|---|---|---|
| **At lower of cost or net realisable value** | | |
| Stores and spares | **196.58** | 236.77 |
| | **196.58** | 236.77 |
| **Net of Provision** | **26.99** | 23.22 |

₹ in Lakhs

| 13. Investments : Current | As at 31st March 2024 | As at 31st March 2023 |
|---|---|---|
| **Investment Carried at Fair Value through Profit or Loss** | | |
| **Investments in Mutual Funds (Quoted)** | | |
| | | |
| **In units of 1,000/- each** | | |
| | | |
| SBI Liquid Fund - Direct Plan - Growth | **807.65** | - |
| 21,370.552 (31st March 2023 : Nil) Units | | |
| | | |
| Tata Liquid Fund - Direct Plan - Growth | - | 2,472.76 |
| Nil (31st March 2023 : 69,627.438) Units | | |
| | | |
| | **807.65** | 2,472.76 |
| **Aggregate amount of Quoted Investments** | **807.65** | 2,472.76 |

₹ in Lakhs

| 14. Trade Receivables : Current | As at 31st March 2024 | As at 31st March 2023 |
|---|---|---|
| Trade Receivables Considered Good - Unsecured #* | **17,581.53** | 18,464.78 |
| Trade Receivables Credit Impaired | **34.93** | 19.70 |
| **Trade Receivables Gross** | **17,616.46** | 18,484.48 |
| Less: Loss Allowance | **34.93** | 19.70 |
| | **17,581.53** | 18,464.78 |
| **# Includes Dues from Related Parties (Refer Note 55)** | **16,739.81** | 17,434.49 |
| *** Includes Unbilled Trade Receivables, as the Company has not yet issued an invoice** | **53.59** | 113.08 |
| **Also refer Note 49(a) for Ageing of Trade Receivables.** | | |





TM International Logistics Limited

## Notes forming part of the Standalone Financial Statements for the Year ended 31st March 2024

₹ in Lakhs

| 14. Trade Receivables : Current | As at 31st March 2024 | As at 31st March 2023 |
|---|---|---|
| Trade Receivables Considered Good - Unsecured #* | **17,581.53** | 18,464.78 |
| Trade Receivables Credit Impaired | **34.93** | 19.70 |
| **Trade Receivables Gross** | **17,616.46** | 18,484.48 |
| Less: Loss Allowance | **34.93** | 19.70 |
| | **17,581.53** | 18,464.78 |
| **# Includes Dues from Related Parties (Refer Note 55)** | **16,739.81** | 17,434.49 |
| *** Includes Unbilled Trade Receivables, as the Company has not yet issued an invoice** | **53.59** | 113.08 |
| **Also refer Note 49(a) for Ageing of Trade Receivables.** | | |

₹ in Lakhs

| 15. Cash and Cash Equivalents | As at 31st March 2024 | As at 31st March 2023 |
|---|---|---|
| Cheques on Hand | - | 0.54 |
| Balance with Banks | | |
| In Current Account | **670.80** | 2,078.10 |
| In Deposit Account (Original Maturity of less than 3 months) | **4,100.00** | 400.00 |
| | **4,770.80** | 2,478.64 |

₹ in Lakhs

| 16. Other Bank Balances | As at 31st March 2024 | As at 31st March 2023 |
|---|---|---|
| Balances with Banks | | |
| Fixed Deposits with Banks (Original Maturity of 3 months to 12 months)* | - | 3,541.98 |
| | - | 3,541.98 |
| *** Earmarked amount** | - | 580.13 |

₹ in Lakhs

| 17. Loans : Current | As at 31st March 2024 | As at 31st March 2023 |
|---|---|---|
| **Unsecured, Considered Good** | | |
| Loan to Employees | **28.16** | 27.46 |
| | **28.16** | 27.46 |
| **Also, refer Note 8 on Loans: Non-Current.** | | |

₹ in Lakhs

| 18. Other Financial Assets : Current | As at 31st March 2024 | As at 31st March 2023 |
|---|---|---|
| **Unsecured, Considered Good** | | |
| Security Deposits | **138.08** | 93.37 |
| Accrued Interest on Deposits | **13.71** | 93.77 |
| Fixed Deposits with Banks(Original Maturity of more than 12 months)* | **193.91** | - |
| Rebate Receivable | **4,362.54** | 2,696.08 |
| | **4,708.24** | 2,883.22 |
| *** Earmarked amount** | **4.21** | - |

TM International Logistics Limited
## Notes forming part of the Standalone Financial Statements for the Year ended 31st March 2024

₹ in Lakhs

| 19. Other Current Assets | As at 31st March 2024 | As at 31st March 2023 |
|---|---|---|
| Balance with Government Authorities @ | **2,112.99** | 775.34 |
| Prepaid Expenses | **447.36** | 405.12 |
| Advance to Employees | **7.79** | 10.82 |
| Advance to Supplier/Service Providers # | **7,421.41** | 4,940.04 |
| | **9,989.55** | 6,131.32 |
| **# Includes Dues from Related Parties (Refer Note 55)** | **136.74** | 131.81 |

@ Balances with Government Authorities primarily include input credits of unutilised goods and services tax on purchase of services, etc. These are regularly utilised to offset the goods and service tax liability on services rendered by the Company. Accordingly, these balances have been classified as current assets.

₹ in Lakhs

| 20. Equity Share Capital | As at 31st March 2024 | As at 31st March 2023 |
|---|---|---|
| **(i) Authorised Share Capital** | | |
| 1,90,00,000 Equity shares of ₹ 10 each | **1,900.00** | 1,900.00 |
| [31st March 2023: 1,90,00,000 Equity shares of ₹ 10 each] | | |
| **(ii) Issued, Subscribed and Paid-up Share Capital** | | |
| 1,80,00,000 Equity shares of ₹ 10 each, fully paid up | **1,800.00** | 1,800.00 |
| [31st March 2023: 1,80,00,000 Equity shares of ₹ 10 each, fully paid-up] | | |
| | **1,800.00** | 1,800.00 |

**(i) Reconciliation of Shares**

| Equity Shares of ₹ 10 each | As at March 31, 2024 | | As at March 31, 2023 | |
|---|---|---|---|---|
| | No. of shares (in Lakhs) | Amount (₹ in Lakhs) | No. of shares (in Lakhs) | Amount (₹ in Lakhs) |
| Balance at the beginning of the Year | 180.00 | 1,800.00 | 180.00 | 1,800.00 |
| Balance at the end of the Year | **180.00** | **1,800.00** | 180.00 | 1,800.00 |

**(ii) Terms and Rights attached to Equity Shares**

The Company has one class of equity shares having a par value of ₹10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

**(iii) Details of shareholding of Promoters and Equity Shares held by Shareholders holding more than 5% of the aggregate shares in the Company**

| Shareholders | As at March 31, 2024 | | As at March 31, 2023 | |
|---|---|---|---|---|
| | No. of shares (in Lakh) | Percentage | No. of shares (in Lakhs) | Percentage |
| Tata Steel Limited | 91.80 | 51.00 | 91.80 | 51.00 |
| NYK Holding (Europe) B.V. | 46.80 | 26.00 | 46.80 | 26.00 |
| IQ Martrade Holding Und Management GmbH | 41.40 | 23.00 | 41.40 | 23.00 |
| | 180.00 | **100.00** | 180.00 | 100.00 |

**(iv) There is no change in Promoters shareholding during the current and previous year.**



TM International Logistics Limited
Notes forming part of the Standalone Financial Statements for the Year ended 31st March 2024

₹ in Lakhs

| 21. Other Equity | As at 31st March 2024 | As at 31st March 2023 |
|---|---|---|
| **General Reserves** | | |
| Balance at the Beginning of the Year | **7,716.76** | 7,716.76 |
| Balance at the End of the Year | **7,716.76** | 7,716.76 |
| **Retained Earnings** | | |
| Balance at the Beginning of the Year | **16,131.17** | 13,911.73 |
| Profit for the Year | **24,418.44** | 5,479.07 |
| Other Comprehensive Income for the Year | | |
| -Remeasurement of Post-Employment Defined Benefit Obligations(Net of Tax) | **(100.68)** | 40.37 |
| Dividend paid during the Year | **(22,000.00)** | (3,300.00) |
| **Balance at the End of the Year** | **18,448.93** | 16,131.17 |
| | **26,165.69** | 23,847.93 |

₹ in Lakhs

| 22. Lease Liabilities : Non-Current | As at 31st March 2024 | As at 31st March 2023 |
|---|---|---|
| Lease Liabilities | **83,655.39** | 21,933.94 |
| | **83,655.39** | 21,933.94 |
| **Also, refer Note 38 for lease related disclosures.** | | |

₹ in Lakhs

| 23. Other Financial Liabilities : Non-Current | As at 31st March 2024 | As at 31st March 2023 |
|---|---|---|
| Liability for Employee's Family Benefit Scheme | **205.55** | 192.10 |
| | **205.55** | 192.10 |

₹ in Lakhs

| 24. Provisions : Non-Current | As at 31st March 2024 | As at 31st March 2023 |
|---|---|---|
| **Provision for Employee Benefits** | | |
| Employee Seperation Scheme | **301.25** | 415.21 |
| Post Retirement Medical Benefit Payable | **53.63** | 56.91 |
| Director Pension Scheme Payable | **207.26** | 219.96 |
| Provision for Compensated Absences | **695.31** | 634.73 |
| | | |
| Replacement Obligation for Berth#13 at Haldia Port | **70.68** | 916.12 |
| | **1,328.13** | 2,242.93 |

₹ in Lakhs

| 25. Lease Liabilities : Current | As at 31st March 2024 | As at 31st March 2023 |
|---|---|---|
| Lease Liabilities | **17,974.80** | 10,032.64 |
| | **17,974.80** | 10,032.64 |
| **Also, refer Note 38 for lease related disclosures.** | | |

₹ in Lakhs

TM International Logistics Limited

Notes forming part of the Standalone Financial Statements for the Year ended 31st March 2024

| 26. Trade Payables : Current | As at 31st March 2024 | As at 31st March 2023 |
|---|---|---|
| Creditors for Supplies and Services - Micro Enterprises and Small Enterprises # | **797.80** | 494.56 |
| Creditors for Supplies and Services - Others # | **12,743.25** | 11,237.65 |
| Creditors for Accrued Wages and Salaries # | **673.87** | 663.55 |
| | **14,214.92** | 12,395.76 |
| **# Includes Dues to Related Parties (Refer Note 55)** | **533.67** | 104.89 |
| Also refer Note 51(a) for Ageing of Trade Payables. | | |

*₹ in Lakhs*

| 27. Other Financial Liabilities : Current | As at 31st March 2024 | As at 31st March 2023 |
|---|---|---|
| Creditors for capital supplies/services | **0.48** | 31.41 |
| Liability for Employee's Family Benefit Scheme | **36.97** | 14.52 |
| Security Deposit Received # | **32.64** | 71.65 |
| Other Liabilities # | **1,216.16** | 1,359.04 |
| | **1,285.25** | 1,476.62 |
| **# Includes Dues to Related Parties (Refer Note 55)** | **1,248.80** | 1,430.69 |

*₹ in Lakhs*

| 28. Provisions : Current | As at 31st March 2024 | As at 31st March 2023 |
|---|---|---|
| **Provision for Employee Benefits** | | |
| Employee Seperation Scheme | **169.51** | 170.71 |
| Provision for Gratuity | **186.25** | 15.96 |
| Post Retirement Medical Benefit Payable | **5.44** | 5.46 |
| Director Pension Scheme Payable | **21.04** | 21.08 |
| Provision for Compensated Absences | **51.64** | 54.82 |
| | | |
| Replacement Obligation for Berth#13 at Haldia Port | **1,139.31** | 693.67 |
| | **1,573.19** | 961.70 |

*₹ in Lakhs*

| 29. Other Current Liabilities | As at 31st March 2024 | As at 31st March 2023 |
|---|---|---|
| Contract Liabilities # | **6,200.30** | 4,119.65 |
| Dues Payable to Goverment Authorities@ | **494.04** | 526.67 |
| | **6,694.34** | 4,646.32 |
| **# Includes Dues to Related Parties (Refer Note 55)** | **5,396.39** | 3,120.85 |

@ Dues Payable to Government Authorities comprise goods and services tax, withholding taxes, payroll taxes and other taxes payable.

*₹ in Lakhs*

| 30. Revenue from Operations | For the Year ended 31st March 2024 | For the Year ended 31st March 2023 |
|---|---|---|
| **Revenue from Contracts with Customers** | | |
| Income from Port Related Services | **30,482.66** | 26,806.14 |
| Income from Railway Services | **73,453.85** | 46,636.09 |
| | **103,936.51** | 73,442.23 |

Management expects that 100% of the transaction price allocated to the unsatisfied contracts as at 31st March 2024 will be recognised as revenue during the next reporting period - **₹ 57.18 Lakhs** (31st March 2023 : ₹ 80.80 Lakhs)

*₹ in Lakhs*

TM International Logistics Limited

Notes forming part of the Standalone Financial Statements for the Year ended 31st March 2024

| 31. Other Income | For the Year ended 31st March 2024 | For the Year ended 31st March 2023 |
|---|---|---|
| Interest on Income Tax Refund | **175.93** | 144.83 |
| Interest Income from Financial Assets carried at Amortised Cost | | |
| - Deposits | **187.26** | 333.12 |
| Dividend from Subsidiaries | **22,113.01** | 3,300.00 |
| Profit on Sale of Investments in Mutual Funds (including Fair Value changes in Mutual Fund) | **216.58** | 137.81 |
| Profit on Sale of Property Plant and Equipment (Net) | **-** | 11.77 |
| Income from Insurance Claim | **1.84** | 17.35 |
| Income from Rental Services | **26.75** | 12.70 |
| Liabilities no Longer Required Written Back | **412.62** | 221.39 |
| Provision for Loss Allowance Written Back | **-** | 3.90 |
| Other Non Operating Income | **425.30** | 352.66 |
| | **23,559.29** | 4,535.53 |

*₹ in Lakhs*

| 32. Operational Expenses | For the Year ended 31st March 2024 | For the Year ended 31st March 2023 |
|---|---|---|
| Intraport Transportation including On Shore handling | **2,336.05** | 2,706.61 |
| Custom Clearance Charges | **130.65** | 91.87 |
| Stevedoring & Other Related Expenses | **7,323.53** | 7,385.93 |
| Equipment Assistance Charges | **41.41** | 542.51 |
| Royalty to Syama Prasad Mookerjee Port Trust - Haldia Dock Complex | **1,162.28** | 1,051.40 |
| Railway Freight Charges | **57,318.11** | 36,388.94 |
| Warehousing Charges | **6,297.85** | 3,294.94 |
| | **74,609.88** | 51,462.20 |

*₹ in Lakhs*

| 33. Employee Benefits Expense | For the Year ended 31st March 2024 | For the Year ended 31st March 2023 |
|---|---|---|
| Salaries and Wages including Bonus | **4,788.55** | 4,151.52 |
| Contribution to Provident and Other Funds | **217.66** | 368.89 |
| Staff Welfare Expenses | **402.15** | 232.51 |
| | **5,408.36** | 4,752.92 |

*₹ in Lakhs*

| 34. Finance Costs | For the Year ended 31st March 2024 | For the Year ended 31st March 2023 |
|---|---|---|
| Unwinding of Discount | **80.03** | 81.49 |
| Interest and finance charges on lease liabilities and financial liabilities not at fair value through profit or loss | **4,398.00** | 1,904.71 |
| | **4,478.03** | 1,986.20 |

*₹ in Lakhs*

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| 35. Other Expenses | For the Year ended March 31, 2024 | For the Year ended March 31, 2023 |
|---|---|---|
| Consumption of Stores and Spare Parts | **968.91** | 1,105.22 |
| Power & Fuel | **146.75** | 135.90 |
| Rent (including Plot Rent) | **518.68** | 435.72 |
| Repairs to Buildings | **160.63** | 168.28 |
| Repairs to Machinery | **1,445.20** | 806.00 |
| Repairs- Others | **257.84** | 212.27 |
| Insurance Charges | **215.20** | 201.14 |
| Rates and Taxes | **95.42** | 71.45 |
| Travelling Expenses | **456.64** | 399.67 |
| Corporate Social Responsibility Expenditure (Refer Note 35.2 below) | **63.21** | 68.47 |
| Replacement Obligation under SCA at Berth#13 Haldia | **(76.29)** | 91.15 |
| Security Charges | **369.09** | 312.10 |
| Provision for Loss Allowances | **15.23** | 12.93 |
| Provision for Dead Stock | **3.77** | 6.23 |
| Professional & Consultancy charges | **449.80** | 350.83 |
| Loss on Sale of Property Plant and Equipment (net) | **0.01** | - |
| Payment to Auditors (Refer Note 35.1 below) | **34.71** | 28.00 |
| Miscellaneous Expenses | **595.13** | 679.08 |
| | **5,719.93** | **5,084.44** |
| **35.1 Payment to Auditors** | | |
| Statutory Audit | **19.00** | 15.50 |
| Tax Audit | **5.00** | 4.00 |
| Other Matters (including Certification) | **9.00** | 7.00 |
| Out of Pocket Expenses | **1.71** | 1.50 |
| | **34.71** | **28.00** |
| **35.2 Disclosures in relation to Corporate Social Responsibility expenditure** | | |
| Contribution towards promoting health care including preventive health care and sanitation | **8.85** | 6.38 |
| Contribution towards rural development projects | **13.29** | - |
| Contribution towards promoting education | **26.41** | 23.43 |
| Contribution towards livelihood enhancement projects | **8.44** | 37.74 |
| Others | **6.22** | 0.92 |
| **Total** | **63.21** | **68.47** |
| | | |
| **Amount required to be spent as per Section 135 of the Act** | **63.05** | 63.06 |
| Amount spent during the Year | | |
| (i) Construction / Acquisition of assets | **-** | - |
| (ii) On Purposes other than (i) above | **63.21** | 68.47 |
| | **63.21** | 68.47 |
| **Details of excess CSR expenditure under Section 135(5) of the Act** | | |
| Amount required to be spent during the year | **63.05** | 63.06 |
| Amount spent during the year | **63.21** | 68.47 |
| **Balance excess spent*** | **0.16** | 5.41 |

* The Company does not intend to carry forward the excess corporate social responsibility expenditure to future years.

### 36. Contingencies





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*₹ in Lakhs*

| Particulars | As at 31st March 2024 | As at 31st March 2023 |
|---|---|---|
| **Claims against the Company not acknowledged as Debts** | | |
| Service Tax | **1,480.33** | 1,477.74 |
| Income Tax | **23.66** | 23.66 |
| Syama Prasad Mookerjee Port Trust | **1,770.27** | 1,756.14 |
| Tariff Authority of Major Ports | **16,379.59** | 14,620.07 |
| Custom Duty | **1.00** | 26.00 |
| | **19,654.85** | 17,903.61 |

The details of material litigations are as described below:

**Taxes and Other Claims**

(a) Service Tax: **₹ 1,265.13 Lakhs** (31st March 2023: ₹ 1,265.13 lakhs). The Service Tax Department had raised the demand for handling of export cargo and intra-port transportation for the FY 2001-02 to FY 2005-06 against which the Company had filed writ petitions and obtained stay orders from Hon'ble High Court of Orissa which was disposed off vide order dated 29th September 2021 suggesting the Company to file a reply to the adjudicating authority by 1st November 2021. The Company had filed the reply on 29th October 2021, subsequent to which the adjudicating authority issued a demand order against which the Company filed an appeal before the Commissioner of Central Excise (Appeals) and received an order dated 17th June 2022 in which the Commissioner of Central Excise (Appeals) remanded back the assessment to the original authority. The Company has filed an appeal with Customs, Excise & Service Tax Appellate Tribunal (CESTAT) on 14th September 2022 and such appeal is pending for hearing.

(b) Syama Prasad Mookerjee Port Trust (earlier Kolkata Port Trust) had claimed an amount of **₹ 1,280.02 Lakhs** (31st March 2023: ₹ 1,280.02 Lakhs) in December, 2007 for cargo shifting charges. An appeal has been filed with Hon'ble Calcutta High Court. The Hearing has not been concluded and the suit is pending for disposal at Hon'ble Calcutta High Court.

(c) In accordance with the provisions of the Major Port Trust Act, Tariff Authority of Major Ports (TAMP) issued tariff order directing the Company to refund the alleged excess charge of ₹ 2,359.55 Lakhs to the customers alongwith compound interest totalling to **₹ 16,379.59 Lakhs** (31st March 2023: ₹ 14,620.07 Lakhs) relating to the period from 1st April 2002 to 30th September 2007. The matter is pending to be heard by Hon'ble Calcutta High Court.

### 37. Commitments

a. In terms of the Licence Agreement dated 29th January 2002 with Board of Trustees for the Syama Prasad Mookerjee Port Trust (earlier Kolkata Port Trust), the Company is required to invest in equipments and infrastructure in Berth# 13 (Haldia Dock Complex) as follows:

*₹ in Lakhs*

| Sl. No. | Purpose of Investment | Phasing of Investment from Licence Agreement dated 29th January 2002 (₹ in Lakhs) | | | |
|---|---|---|---|---|---|
| | | Within 18 months (Lapsed on 28th July 2003) | Within 24 months (Lapsed on 28th January 2004) | Within 36 months (Lapsed on 28th January 2005) | Total |
| 1 | For Procurement of Equipment for Ship to Shore Handling & vice versa and Horizontal Transfer of Cargo | 2,306.00 | 285.00 | - | 2,591.00 |
| 2 | Storage of Cargo | - | 174.00 | 120.00 | 294.00 |
| 3 | Office Building, Workshop etc. | - | 75.00 | 25.00 | 100.00 |
| 4 | Utility Services | - | 22.00 | - | 22.00 |
| | **Total** | **2,306.00** | **556.00** | **145.00** | **3,007.00** |

As at 31st March, 2024, Company's investments in equipments and infrastructure aggregate to **₹ 2,580.00 Lakhs** (31st March 2023: ₹ 2,580.00 Lakhs).

The Management has requested the Port Trust Authorities for suitable modification to the investment obligation in view of the changes

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in the business and economic scenario. The Port Trust Authorities have, subject to sanction of the Government of India, approved the changes proposed by the Company in the specifications of the equipments and other required infrastructure.

**b.** Estimated amount of contracts remaining to be executed on capital account and not provided for **₹ 115.69 Lakhs** (31st March 2023: ₹ 436.81 Lakhs)

### 38. LEASES

### a. Company as a Lessee

The Company leases various offices, warehouses, and railway rakes. Rental contracts are typically made for fixed periods of 1 year to 14 years, but may have extension options as described below.

**Amounts recognised in the Statement of Profit and Loss**

*₹ in Lakhs*

| Particulars | Note | As at 31st March 2024 | As at 31st March 2023 |
|---|---|---|---|
| Interest expense (included in Finance Costs) | 34 | **4,365.61** | 1,884.44 |
| Expense relating to short-term leases (included in Other Expenses) | 35 | **369.88** | 120.65 |
| | | **4,735.49** | 2,005.09 |

Total Cash Outflow for Leases for the Year ended 31st March 2024 was **₹ 15,236.71 Lakhs** ( 31st March 2023 : ₹ 9,146.73 Lakhs).

**Extension and Termination options**

Extension and Termination options are included in a number of buildings and railway rakes leases across the Company. These are used to maximise operational flexibility in terms of managing the assets used in the Company's operations. The majority of extension and termination options held are exercisable on mutual consent between the Company and the respective lessor.

**Critical judgements in determining the lease term**

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

For leases of Warehouses, Offices and Railway Rakes, the following factors are normally the most relevant:

- If there are significant penalties to terminate (or not extend), the Company is typically reasonably certain to extend (or not terminate).
- If any leasehold improvements are expected to have a significant remaining value, the Company is typically reasonably certain to extend (or not terminate).
- Otherwise, the Company considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset.

As at 31st March 2024, potential future cash outflows of Nil (31st March 2023: ₹ 132.30 Lakhs) (undiscounted) have not been included in the lease liability because it is not reasonably certain that the leases will be extended (or not terminated).

The lease term is reassessed if an option is actually exercised (or not exercised) or the Company becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee. During the current period, the financial effect of revising lease terms to reflect the effect of exercising termination options was a decrease in recognised Lease Liabilities and Right-of-Use assets of **₹ 197.11 Lakhs** (31st March 2023: ₹ 804.32 Lakhs). During the current and previous year, no extension options in lease agreements were exercised.

### b. Company as a Lessor

The Company has sub-leased an office premise on operating lease. Lease payments received during the period ended 31st March 2024 (recognised as Income from Rental Services in Note 31) is **₹ 26.75 Lakhs** (31st March 2023: ₹ 12.70 lakhs).

### 39. Details of Dues to Micro and Small Enterprises(MSEs)





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*₹ in Lakhs*

| Particulars | As at 31st March 2024 | As at 31st March 2023 |
|---|---|---|
| 1. The Principal amount and Interest due thereon remaining unpaid to any supplier at the end of the accounting year | | |
| - Principal amount | **731.73** | 458.75 |
| - Interest due thereon | **9.59** | 7.99 |
| 2. The amount of interest paid by the buyer in terms of Section 16 of the MSMED Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during the year | | |
| - Principal amount | **-** | - |
| - Interest due thereon | **-** | - |
| 3. 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 this Act | | |
| - Principal amount | **1,076.32** | 579.05 |
| - Interest due thereon | **20.67** | 12.28 |
| 4. The amount of interest accrued and remaining unpaid - at the end of the accounting year | **30.26** | 20.27 |
| 5. The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest due on above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act, 2006. | **66.07** | 35.81 |
| The above particulars, as applicable, have been given in respect of Micro and Small Enterprises to the extent they could be identified on the basis of the information available with the Company. | | |

### 40. SEGMENT REPORTING

Based on the synergies, risks and returns associated with business operations and in terms of Ind AS - 108, the Company is predominantly engaged in the business of a single reportable segment of Logistics during the Year.

**Entity-wide Disclosures**

**(i) Disaggregation of revenue from Contracts with Customers**

The Company derives revenue from sale of services from following major service lines and geographical regions:

*₹ in Lakhs*

| For the Year ended 31st March 2024 | Timing of Recognition | | |
|---|---|---|---|
| | Total Revenue | At a Point in Time | Over Time |
| **Port Operations** | | | |
| - Within India | **29,538.66** | **29,538.66** | **-** |
| - Outside India | **944.00** | **944.00** | **-** |
| **Railway Operations** | | | |
| - Within India | **73,453.85** | **-** | **73,453.85** |
| - Outside India | **-** | **-** | **-** |
| | **103,936.51** | **30,482.66** | **73,453.85** |

*₹ in Lakhs*

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| For the Year ended 31st March 2023 | Timing of Recognition | | |
|---|---|---|---|
| | Total Revenue | At a Point in Time | Over Time |
| **Port Operations** | | | |
| - Within India | 25,951.42 | 25,951.42 | - |
| - Outside India | 854.72 | 854.72 | - |
| **Railway Operations** | | | |
| - Within India | 46,636.09 | - | 46,636.09 |
| - Outside India | - | - | - |
| | **73,442.23** | **26,806.14** | **46,636.09** |

(ii) All non-current assets of the Company (excluding Financial Assets) are located in India.

₹ in Lakhs

| (iii) Details of major customers accounting for more than 10% of Revenue from External Customers | As at 31st March 2024 | As at 31st March 2023 |
|---|---|---|
| Tata Steel Limited | **90,874.66** | 64,023.54 |
| | | |

### 41. Code on Social Security

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment received Indian Parliament approval and Presidential assent in September 2020. The Code has been published in the Gazette of India and subsequently on November 13, 2020 draft rules were published and invited for stakeholders' suggestions. However, the date on which the Code will come into effect has not been notified as on date. The Company will assess the impact of the Code as and when the same comes into effect and accordingly, record any related impact in the period the Code becomes effective.

₹ in Lakhs

| 42 . Earnings per Share | For the Year ended 31st March 2024 | For the Year ended 31st March 2023 |
|---|---|---|
| **A. Basic** | | |
| (i) Number of Equity Shares at the Beginning of the Year (in Lakhs) | **180.00** | 180.00 |
| (ii) Number of Equity Shares at the End of the Year (in Lakhs) | **180.00** | 180.00 |
| (iii) Weighted Average Number of Equity Shares Outstanding during the Year (in Lakhs) | **180.00** | 180.00 |
| (iv) Face Value of each Equity Share (₹) | **10.00** | 10.00 |
| (v) Profit attributable to the Equity Shareholders Profit for the Year (₹ in Lakhs) | **24,418.44** | 5,479.07 |
| (vi) Basic Earnings per Equity Share [ (v) / (iii) ] (₹) | **135.66** | 30.44 |
| | | |
| **B. Diluted** | | |
| (i) Dilutive Potential Equity Shares | **-** | - |
| (ii) Dilutive Earnings per Equity Share | **135.66** | 30.44 |

### 43. Dividend on Equity Shares

₹ in Lakhs

| Particulars | For the Year ended 31st March 2024 | For the Year ended 31st March 2023 |
|---|---|---|
| Dividend declared and paid during the year<br>Final dividend for the year ended 31st March 2023 of Rs. 22.22 per fully paid share with face value of Rs. 10/- each (31st March 2022: Rs. 18.33/- per fully paid share with face value of Rs. 10/- each) proposed by the Board of Directors and approved by the Shareholders in the Annual General Meeting | **4,000.00** | 3,300.00 |
| Interim dividend for the year ended 31st March 2024 of Rs. 100/- per fully paid share with face value of Rs. 10/- each (31st March 2023: Rs. Nil per fully paid share with face value of Rs. 10/- each) approved by the Board of Directors | 18,000.00 | - |

### 44. Employee Benefits





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**(a) Defined Contribution Plans**

The Company provides Superannuation Benefits (including pension) to its employees. Such contribution towards Superannuation is paid to a separate trust. The Company has no legal constructive obligation to pay future contribution if the funds do not hold sufficient assets to pay employee benefits. The contributions are recognised as expenses in the Statement of Profit and Loss based on the amount of contribution required to be made and when services are rendered by the employees.

The Company has recognised expenses under defined benefit contributions in Statement of Profit and Loss, as below:

₹ in Lakhs

| Nature of Benefits | For the Year ended 31st March 2024 | For the Year ended 31st March 2023 |
|---|---|---|
| Superannuation Fund | **56.64** | 41.05 |
| Tata Employees' Pension Fund | **6.72** | 6.99 |
| | **63.36** | 48.04 |

**(b) Defined Benefits Plans**

(i) Funded

a. Provident Fund

b. Post Retirement Gratuity

(ii) Unfunded

a. Director Pension Scheme

b. Post-Retirement Medical Benefit Scheme

**Provident Fund**

The Company provides Provident Fund benefit to its employees. The contributions towards Provident fund upto May, 2009 were paid to the trust administered by the Government. The Company has received an exemption under Section 17 of the Employees' Provident Fund and Miscellaneous Provisions Act, 1952 from the Central Government, Ministry of Labour and Employment for setting up of an exempted Provident Fund Trust w.e.f. 30th March 2009. Accordingly, the Company has been contributing Provident Fund dues from June, 2009 onwards to the Trust fund created under the name and style as 'TM International Logistics Limited Employees' Provident Fund'.

Both the employees and the Company make monthly contributions to the Funds at specified percentage of the employee's salary and aggregate contributions along with interest thereon are paid to the employees/nominees at retirement, death or cessation of employment. The Trusts invest funds following a pattern of investments prescribed by the Government. The interest rate payable to the members of the Trusts is not lower than the rate of interest declared annually by the Government under The Employees' Provident Funds and Miscellaneous Provisions Act, 1952 and shortfall, if any, on account of interest is to be made good by the Company.

In view of the Company's obligation to meet shortfall, if any, on account of interest, Provident Fund Trust set up by the Company is treated as defined benefit plan. The Actuary has carried out actuarial valuation of plan's liabilities and interest rate guarantee obligations as at the Balance Sheet date using Projected Unit Credit Method as outlined in the Guidance Note 29 issued by the Institute of Actuaries of India. Based on such valuation, an amount of ₹ (98.03) lakhs (31st March 2023 - ₹ 99.67 Lakhs) has been provided/(reversed) during the year towards future anticipated shortfall with regard to interest rate obligation of the Company as at the Balance Sheet date.

₹ in Lakhs

| Principal Actuarial Assumptions | For the Year ended 31st March 2024 | For the Year ended 31st March 2023 |
|---|---|---|
| Discount Rate | **7.00%** | 7.30% |
| Expected Return on Exempted Fund | **8.15%** | 8.15% |
| Expected Guranteed Interest Rate | **8.15%** | 8.15% |

**The Company has recognised expenses under define benefit plan in Statement of Profit and Loss, as below:**

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₹ in Lakhs

| Principal Actuarial Assumptions | For the Year ended 31st March 2024 | For the Year ended 31st March 2023 |
|---|---|---|
| Provident Fund | **71.33** | 242.95 |

**Post Retirement Gratuity**

The Company provides Gratuity Benefits to its employees. Gratuity liabilities are funded through a separate trust managed by Tata Steel Limited. The present value of these defined benefit obligations are ascertained by an independent actuarial valuation as per the requirement of Indian Accounting Standard 19 - Employee Benefits. The liability recognised in the Balance Sheet is the present value of the defined benefit obligations on the balance sheet date less the fair value of the plan assets (for funded plans), together with adjustments for unrecognised past service costs. All actuarial gains and losses are recognised in Statement of Profit and Loss in full in the year in which they occur.

These plans typically expose the Company to actuarial risks such as investment risk, interest rate risk, longevity risk and salary risk.

| | |
|---|---|
| **Discount Rate Risk** | The Company is exposed to the risk of falling discount rate. A fall in discount rate will eventually increase the ultimate cost of providing the above benefit thereby increasing the value of liability. |
| **Demographic Risk** | The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality and attrition rates of plan participants.An increase in life expectancy or service term of the plan participants will increase the plan's liability. |
| **Salary Growth Risk** | The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability. |

The following table sets forth the particulars in respect of the Gratuity Plan (funded) of the Company:

₹ in Lakhs

| Gratuity Plan (Funded) | 31st March 2024 | 31st March 2023 |
|---|---|---|
| **1. Reconciliation of Opening and Closing balances of the Present Value of the Defined Benefit Obligation:** | | |
| (a) Present Value of Obligation at the Beginning of the Year | **1,131.36** | 1,082.25 |
| (b) Current Service Cost | **80.07** | 74.48 |
| (c) Interest Cost | **75.35** | 72.05 |
| (d) Remeasurement Losses | | |
| Actuarial (Gain) / Loss arising from changes in Experience Adjustments | **37.31** | (12.70) |
| Actuarial (Gain)/Loss arising from changes in Financial Assumptions | **24.68** | (39.46) |
| (e) Benefits Paid | **(198.32)** | (45.26) |
| **(f) Present Value of Obligation at the End of the Year** | **1,150.45** | 1,131.36 |
| **2. Reconciliation of Opening and Closing balances of the Fair Value of the Plan Assets:** | | |
| (a) Fair Value of Plan Assets at the Beginning of the Year | **1,115.40** | 1,037.49 |
| (b) Interest Income | **74.77** | 70.53 |
| (c) Contributions from Employer | **15.96** | 44.76 |
| (d) Return on Plan Assets,excluding Amounts included in Interest Income Above | **(43.61)** | 7.88 |
| (e) Benefits Paid | **(198.32)** | (45.26) |
| **(f) Fair Value of Plan Assets at the End of the Year** | **964.20** | 1,115.40 |
| **3. Reconciliation of Present Value of the Defined Benefit Obligation and the Fair Value of Plan Assets:** | | |
| (a) Present Value of Obligation at the End of the Year | **1,150.45** | 1,131.36 |
| (b) Fair Value of Plan Assets at the End of the Year | **964.20** | 1,115.40 |
| (c) Liabilities Recognized in the Balance Sheet | **186.25** | 15.96 |
| **Provision for Employee Benefit - Current (Refer Note 28)** | **186.25** | 15.96 |
| **Gratuity Plan (Funded)** | **31st March 2024** | **31st March 2023** |
| **4. Expense Recognized in the Statement of Profit and Loss during the Year** | | |
| (a) Service Cost | | |
| Current Service Cost | **80.07** | 74.48 |
| (b) Net Interest Cost | **0.58** | 1.52 |
| **Total Expense Recognized in the Statement of Profit and Loss during the Year** | **80.65** | 76.00 |
| **5. Expense Recognized in the Other Comprehensive Income** | | |
| (a) Actuarial (Gain)/ Loss due to DBO Experience | **37.31** | (12.70) |
| (b) Actuarial (Gain)/Loss due to DBO Assumption Changes | **24.68** | (39.46) |
| (c) Actuarial (Gain) / Loss during the Year (a+b) | **61.99** | (52.16) |
| (d) Return on Plan Assets,excluding amounts included in Interest Income above | **43.61** | (7.88) |
| **(e) Total (Income) / Expense Recognised in Other Comprehensive Income (c+d)** | **105.60** | (60.04) |
| **6. Category of Plan Assets** | | |
| (a) Fund Managed by Tata Steel Limited | **964.20** | 1,115.40 |
| **7. Maturity Profile of Defined Benefit Obligation** | | |
| (a) Within 1 Year | **109.42** | 136.50 |
| (b) 1-5 Years | **463.52** | 458.81 |
| (d) More than 5 Years | **433.57** | 778.49 |
| **8. Principal Assumptions** | | |
| (a) Discount Rate (per annum) | **7.00%** | 7.30% |
| (b) Rate of Escalation in Salary (per annum) | **9.00%** | 9.00% |

Assumption regarding future mortality experience are based on mortality tables of Indian Assured Lives Mortality (2006-08) Ult published by the Institute of Actuaries of India

₹ in Lakhs

| 9. Investment Details | | 31st March 2024 | 31st March 2023 |
|---|---|---|---|
| (a) | Government of India Securities | **8.87%** | 8.73% |
| (b) | Public Sector Unit Bonds | **2.22%** | 2.17% |
| (c) | State / Central Government Guaranteed Securities | **16.29%** | 11.92% |
| (d) | Schemes of Insurance | **50.01%** | 63.36% |
| (e) | Private Sector Unit Bonds | **14.23%** | 9.84% |
| (f) | Others (including bank balances) | **8.38%** | 3.98% |

**10.** Actuarial assumptions for the determination of the defined obligation are discount rate and expected salary escalation. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

₹ in Lakhs

| Effect of change in | 31st March 2024 | | 31st March 2023 | |
|---|---|---|---|---|
| | Discount Rate | Salary Escalation | Discount Rate | Salary Escalation |
| **Increase by 1%** | | | | |
| (i) Aggregate Service and Interest Cost | **(78.58)** | **87.48** | (71.74) | 79.53 |
| (ii) Closing Balance of Obligation | **1,071.87** | **1,237.93** | 1,059.62 | 1,210.89 |
| **Decrease by 1%** | | | | |
| (i) Aggregate Service and Interest Cost | **90.05** | **(77.94)** | 81.61 | (71.34) |
| (ii) Closing Balance of Obligation | **1,240.50** | **1,072.51** | 1,212.97 | 1,060.02 |

The sensitivity analyses presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

**11.** The Company expects to contribute **₹ 186.25 Lakhs** (31st March 2023 - ₹ 15.96 Lakhs ) to the funded gratuity plans during the next

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financial year.

**12.** The weighted average duration of the defined benefit obligation as at 31st March 2024 is **8 years** (31st March 2023 – 8 years).

**Details of Unfunded Post Retirement Defined Benefit Obligations (Other than Provident Fund and Gratuity) are as follows:**

*₹ in Lakhs*

| Effect of change in | 31st March 2024 | | 31st March 2023 | |
|---|---|---|---|---|
| | Medical | Ex-MD Pension | Medical | Ex-MD Pension |
| **1 Reconciliation of Opening and Closing balances of Obligation:** | | | | |
| (a) Opening Defined Benefit Obligation | **62.37** | **241.04** | 46.46 | 262.87 |
| (b) Interest Cost | **4.48** | **16.77** | 2.66 | 17.11 |
| (c) Remeasurement (Gain)/Loss | | | | |
| (i)Actuarial (Gain) / Loss arising from Experience Adjustments | **(7.03)** | **(11.36)** | 30.07 | (8.07) |
| (ii)Actuarial Gain from changes in Financial Assumptions | **1.13** | **4.37** | (2.16) | (8.35) |
| (d) Benefits Paid | **(1.88)** | **(22.52)** | (14.66) | (22.52) |
| **Closing Defined Benefit Obligation** | **59.07** | **228.30** | 62.37 | 241.04 |
| **2 Reconciliation of Fair Value of Assets and Obligations** | | | | |
| (a) Fair Value of Plan Assets as at the End of the Year | **-** | **-** | - | - |
| (b) Present Value of Obligation as at the End of the Year | **59.07** | **228.30** | 62.37 | 241.04 |
| (c) Amount Recognized in the Balance Sheet | | | | |
| (i) Retirement Benefit Liability - Current | **5.44** | **21.04** | 5.46 | 21.08 |
| (ii) Retirement Benefit Liability - Non Current | **53.63** | **207.26** | 56.91 | 219.96 |
| **3 Amounts Recognised in the Statement of Profit and Loss and Other Comprehensive Income in respect of these Defined Benefit Plans are as follows:** | | | | |
| (a) Net Interest Expenses | 4.48 | 16.77 | 2.66 | 17.11 |
| **Components of Defined Benefit Costs Recognised in Profit or Loss** | **4.48** | **16.77** | 2.66 | 17.11 |
| (c) Remeasurement of Net Defined Benefit Liability | | | | |
| Actuarial (Gain) / Loss arising from: | | | | |
| i) Changes in Experience Adjustments | (7.03) | (11.36) | 30.07 | (8.07) |
| ii) Changes in Financial Assumptions | 1.13 | 4.37 | (2.16) | (8.35) |
| Components of Defined Benefit Costs recorded in Other Comprehensive Income | **(5.90)** | **(6.99)** | 27.91 | (16.42) |
| **Total** | **(1.42)** | **9.78** | 30.57 | 0.69 |
| **4 Principal Assumptions used for the Purpose of the Acturial Valuations were as follows:** | | | | |
| (a) Discount Rate (per annum) | **7.00%** | **7.00%** | 7.30% | 7.30% |
| (b) Medical Inflation (per annum) | **6.00%** | **NA** | 6.00% | NA |
| (c) Salary Escalation (per annum) | **NA** | **6.00%** | NA | 6.00% |
| | | | | |
| **5 Experience Loss/ (Gain) Adjustments on Plan Liabilities** | **(7.03)** | **(11.36)** | 30.07 | (8.07) |

**6.** Actuarial assumptions for the determination of the defined obligation Post Retirement Medical Benefit scheme are discount rate and expected medical inflation. Actuarial assumptions for the determination of the defined obligation - Ex-MD Pension are discount rate and salary escalation. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

*₹ in Lakhs*



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| Effect of Change in Post Retirement Medical Benefit Scheme | 31st March 2024 | | 31st March 2023 | |
|---|---|---|---|---|
| | Discount Rate | Medical Inflation | Discount Rate | Medical Inflation |
| **Increase by 1%** | | | | |
| (i) Aggregate Service and Interest Cost | **(3.63)** | **3.80** | (3.97) | 4.46 |
| (ii) Closing Balance of Obligation | **55.44** | **62.87** | 58.40 | 66.83 |
| **Decrease by 1%** | | | | |
| (i) Aggregate Service and Interest Cost | **4.05** | **(3.47)** | 4.45 | (4.05) |
| (ii) Closing Balance of Obligation | **63.12** | **55.60** | 66.82 | 58.32 |

*₹ in Lakhs*

| Effect of Change in Ex-MD Pension | 31st March 2024 | | 31st March 2023 | |
|---|---|---|---|---|
| | Discount Rate | Salary Escalation | Discount Rate | Salary Escalation |
| **Increase by 1%** | | | | |
| (i) Aggregate Service and Interest Cost | **(14.02)** | **14.69** | (15.35) | 17.24 |
| (ii) Closing Balance of Obligation | **214.28** | **242.99** | 225.69 | 258.28 |
| **Decrease by 1%** | | | | |
| (i) Aggregate Service and Interest Cost | **15.65** | **(13.42)** | 17.19 | (15.67) |
| (ii) Closing Balance of Obligation | **243.95** | **214.88** | 258.23 | 225.37 |

The sensitivity analyses presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

**(c) Leave Obligations**

The Company provides for accumulation of leave by certain categories of its employees.These employees can carry forward a portion of the unutilised leave balances and utilise it in future years or receive cash (only in case of earned leave) in lieu thereof as per the Company's policy. The Company records a provision for leave obligations in the year in which the employee renders the services that increases this entitlement. The total provision recorded by the Company towards this obligation was ₹ 746.95 Lakhs and ₹ 689.55 Lakhs as at 31st March 2024 and 31st March 2023 respectively. As per the leave policy of the Company, an employee is entitled to be paid the accumulated leave balance on separation. The Company presents provision for leave salaries as current and non-current based on actuarial valuation considering estimates of availment of leave, separation of employee etc.

### 45. Service Concession Agreement

(a) TM International Logistics Limited (TMILL / Licensee) signed a service concession agreement with Syama Prasad Mookerjee Port Trust (earlier Kolkata Port Trust) (KoPT/Licensor) on 29th January 2002 for allotment of multipurpose berth along with its back up area at Haldia Dock Complex. TMILL has taken a berth (Berth# 13) at Haldia Port on lease from the Kolkata Port Trust – Haldia Dock Complex (KoPT-HDC) for a period of 30 years ending on 28th January 2032. Further in September 2006 and December 2006, TMILL took a plot from KoPT on lease, measuring 54,000 square meter and 9,000 square meter respectively, for the purpose of storing Cargos and to develop a railway siding for cargo handled at Berth# 13. Said plots have been taken on lease for a period ending on 28th January 2032 (i.e. end date of lease period of the original Service Concession Agreement).

(b) (i) The rates of the Company is governed by Tariff Authority for Major Ports (TAMP) and is as per the "Guidelines for Regulation of Tariff at Major Ports, 2004".

The actual physical and financial performance will be reviewed at the end of the prescribed tariff validity period with reference to the projections relied upon at time of fixing the prevailing tariff. If performance variation of more than + or – 20% is observed as compared to the projections, tariff will be adjusted prospectively. While doing so, 50 % of the benefit / loss already accrued will be set off while revising the tariff.

TAMP will prescribe a timetable specifying when each port should submit tariff proposal for review/revision. Till such a timetable is prescribed, proposals for revision of existing tariff shall be forwarded at least 3 months before these are due for revision. Major Port Trusts, including Private Terminal Operators will be duty bound to send proposal for fixation of tariff within the prescribed time frame. In case of failure on their part to do so, TAMP may for good and sufficient reasons to believe that interests of users are to be protected and / or to rationalise tariff arrangements commonly at ports, suo motu, initiate proceedings in any tariff matter, review and, if necessary, revise the tariffs. In such proceedings, opportunity of hearing will be given to the concerned ports.

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The Major Port Trusts, including Private Terminal Operators at such ports shall initiate tariff proposal and forward the same to TAMP at least three months before these are due for revision. The Private Operators can submit their tariff proposals directly to TAMP with a copy to the landlord port trust for information.

Tariff once fixed shall be in force for three years unless a different period is explicitly prescribed in any individual case by TAMP or in the past concession agreement. For good and sufficient reasons, ports may propose revision ahead-of-schedule. After the specified validity period is over, the approval accorded will lapse automatically unless specifically extended by TAMP.

(ii) The Licensee shall pay to the Licensor royalty per month at the percentage level set out in the License Agreement.

(c) (i) KoPT has granted to TMILL the exclusive right to enter upon, occupy and use the KoPT's assets for the purpose of providing the services at Berth# 13 as per the terms and conditions of service concession agreement.

(ii) TMILL shall provide the cargo handling services at Berth# 13 and during the operation phase shall manage, operate, maintain, repair and replace the Project facilities and Services, entirely at its cost, charges, expenses, risk in accordance with the provision of the License agreement. TMILL has to provide services on a common user basis and may offer preferential or priority berthing to the customers to optimise the use of Berth# 13 in accordance with License Agreement.

(iii) TMILL shall at its own cost make development and improvements in the Licensor's Assets and shall install/ provide cargo handling equipment's as may be necessary or appropriate as per the License Agreement.

(iv) At the end of the concession period, TMILL shall handover Licensor's Assets to the Licensor free of cost and also transfer all its rights, titles and interest in or over the tangible assets at Berth# 13. On the transfer date, the Licensor shall pay to the licensee the compensation/terminal value, as the case may be, in accordance with the license agreement.

(v) The licensor may extend the license period beyond 30 years as per the provision of the concession agreement. As per the provision of agreement, the Licensor and Licensee are entitled to terminate the license agreement either on account of force major event or on account of event of default.

(d) There had been no changes in the arrangement during the year.

(e) The Service Concession Agreement have been classified as Intangibles Assets. (Refer Note 5)

(f) Intangible Assets include Upfront Fees paid to Syama Prasad Mookerjee Port Trust (earlier Kolkata Port Trust) – Haldia Dock Complex towards securing the right to operate Berth No. 13 (situated at Haldia) for a period of 30 years and which is being amortised on straight line basis over the lease period (Refer Note 5).

### 46. Income Tax Reconciliation

*₹ in Lakhs*

| Income Tax Expense | For the Year ended 31st March 2024 | For the Year ended 31st March 2023 |
|---|---|---|
| **A Tax Expense recognised in Profit or Loss** | | |
| Current Tax on Profits for the Year | **666.33** | 746.58 |
| | **666.33** | 746.58 |
| | | |
| **Deferred Tax** | | |
| Origination and Reversal of Timing Differences | **174.49** | 15.09 |
| | **174.49** | 15.09 |
| | | |
| **B Tax on Other Comprehensive Income** | | |
| Current Tax | | |
| -Remeasurements on Post-employment Defined Benefit Plans | **(33.85)** | 13.57 |
| | **(33.85)** | 13.57 |

The Income Tax Expenses for the Year can be Reconciled to the Accounting Profit as follows:

*₹ in Lakhs*

| Particulars | For the Year ended 31st March 2024 | For the Year ended 31st March 2023 |
|---|---|---|
| Profit Before Tax for the Year | **25,259.26** | 6,240.74 |
| | | |
| Income Tax Expense Calculated at 25.168% (2022-23: 25.168 %) | **6,357.25** | 1,570.67 |
| Effect of Income Deductible in determining Taxable Profit | **(5,536.96)** | (830.54) |
| Effect of Expenses that are not Deductible in Determining Taxable Profit | **24.05** | 22.33 |
| Effect of Other Items | **(3.52)** | (0.79) |
| **Income Tax Expense for the Year** | **840.82** | 761.67 |

The tax rate used for the year ended 31st March 2024 and 31st March 2023 in the reconciliations above is the applicable corporate tax rate plus cess and surcharge payable by corprate entities in India on taxable profits under the Indian tax law.

*₹ in Lakhs*

| 47. Deferred Tax (Liabilities)/Assets (Net) | As at 1st April 2022 | (Charge)/ Credit for the Year | As at 1st April 2023 | (Charge)/ Credit for the Year | As at 31st March 2024 |
|---|---|---|---|---|---|
| **Deferred Tax Liabilities** | | | | | |
| Right-of-use Assets | (4,558.33) | (3,113.79) | (7,672.12) | (17,587.59) | **(25,259.71)** |
| Property, Plant & Equipment and Intangible assets | 35.13 | (37.59) | (2.46) | (5.87) | **(8.33)** |
| | **(4,523.20)** | **(3,151.38)** | **(7,674.58)** | **(17,593.46)** | **(25,268.04)** |
| **Deferred Tax Assets** | | | | | |
| Items allowable for tax purpose on Payment/Adjustment | 174.05 | (0.51) | 173.54 | 14.45 | **187.99** |
| Replacement Obligation for Berth#13 at Haldia Port | 366.72 | 38.44 | 405.16 | (100.62) | **304.54** |
| Employees' Early Separation Scheme (ESS) | 294.29 | (43.05) | 251.24 | (32.57) | **218.67** |
| Lease Liabilities | 4,902.95 | 3,142.39 | 8,045.34 | 17,532.94 | **25,578.28** |
| Others | 17.40 | (0.98) | 16.42 | 4.77 | **21.19** |
| | **5,755.41** | **3,136.29** | **8,891.70** | **17,418.97** | **26,310.67** |
| **Deferred Tax (Charge) /Credit** | | **(15.09)** | | **(174.49)** | |
| **Deferred Tax (Liabilities)/ Assets (Net)** | **1,232.21** | | **1,217.12** | | **1,042.63** |

### 48. Fair Value Instruments

**(a) Instruments by Category**

The following table presents carrying amount and fair value of each category of financial assets and liabilities as at year end:

*₹ in Lakhs*

| Particulars | Note No | As at 31st March 2024 | As at 31st March 2023 |
|---|---|---|---|
| **Financial Assets** | | | |
| **Assets Carried at Fair Value through Profit or Loss (FVTPL)** | | | |
| Investments in Mutual Fund | 13 | **807.65** | 2,472.76 |
| **Assets Carried at Amortised Cost** | | | |
| Loans | 8, 17 | **77.28** | 83.26 |
| Other Financial Assets | 9, 18 | **5,440.39** | 3,572.84 |
| Trade Receivables | 14 | **17,581.53** | 18,464.78 |
| Cash and Cash Equivalents | 15 | **4,770.80** | 2,478.64 |
| Other Bank Balances | 16 | **-** | 3,541.98 |
| **Total Financial Assets** | | **28,677.65** | 30,614.26 |

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## Notes forming part of the Standalone Financial Statements for the Year ended 31st March 2024

| Particulars | Note No | As at 31st March 2024 | As at 31st March 2023 |
|---|---|---|---|
| **Financial Liabilities** | | | |
| **Liabilities Carried at Amortised Cost** | | | |
| Trade Payables | 26 | **14,214.92** | 12,395.76 |
| Lease Liabilities | 22, 25 | **101,630.19** | 31,966.58 |
| Other Financial Liabilities | 23, 27 | **1,491.80** | 1,668.72 |
| **Total Financial Liabilities** | | **117,336.91** | 46,031.06 |

**(b) Fair Value Instrument**

The fair values of financial assets and liabilities are included at the amount 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. Methods and assumptions used to estimate the fair values are consistent with those used for the year ended 31st March 2023.

The following methods and assumptions were used to estimate the fair values:

(i) In respect of investments in mutual funds, the fair values represent net asset value as stated by the issuers of these mutual fund units in the published statements. Net asset values represent the price at which the issuer will issue further units in the mutual fund and the price at which issuers will redeem such units from the investors. Accordingly, such net asset values are analogous to fair market value with respect to these investments, as transactions of these mutual funds are carried out at such prices between investors and the issuers of these units of mutual funds.

(ii) In respect of security deposit given which are non-interest bearing, the Company has used discounted cash flows to arrive at the fair value as at Balance Sheet date.

(iii) The management assessed that fair values of loans (current), trade receivables, cash and cash equivalents, other bank balances, other financial assets (current), trade payables and other financial liabilities (current), approximate to their carrying amounts largely due to the short-term maturities of these instruments.

Further, management also assessed the carrying amount of certain loans given at fixed rate which are a reasonable approximation of their fair values and the difference between the carrying amounts and the fair value is not expected to be significant.

**(c) Fair Value Hierarchy**

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classifed its financial instruments into three levels prescribed under the accounting standard. An explanation of each level follows below.

**Level 1:** Level 1 hierarchy includes financial instruments measured using quoted prices. This includes mutual funds. The mutual funds are valued using the closing Net Asset Value.

**Level 2:** The fair value of financial instruments that are not traded in an active market (for example, over-the counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

*₹ in Lakhs*

| Particulars | As at 31st March 2024 | | As at 31st March 2023 | |
|---|---|---|---|---|
| | Level 1 | Level 3 | Level 1 | Level 3 |
| **Recognised and Measured at Fair Value - Recurring Measurements** | | | | |
| Financial Assets | | | | |
| Investments | | | | |
| *- Mutual Funds* | 807.65 | - | 2,472.76 | - |
| Security Deposits | - | 279.84 | - | 89.97 |
| | **807.65** | **279.84** | 2,472.76 | 89.97 |





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### 49. Financial Risk Management

The Company's activities expose it to credit risk, liquidity risk and market risk. The Company's senior management oversees the management of above risks. The senior executives working to manage the financial risks are accountable to the Audit Committee and the Board of Directors. This process provides assurance to the Company's senior management that the Company's financial risks-taking activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and the Company's risk appetite.

This Note explains the sources of risk which the entity is exposed to and how the entity manages the risk. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

**(a) Credit Risk**

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The Company is exposed to credit risk from its operating activities (primarily Trade Receivables) and from its investing activities (primarily Term Deposits with Banks and Investments in Mutual Funds).

**Trade Receivables**

Trade receivables are typically unsecured and are derived from revenue earned from customers. Customer credit risk is managed centrally and is subject to the Company's policy and procedures which involve credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Company grants credit terms in the normal course of business. Outstanding customer receivables are regularly monitored. The Company uses expected credit loss model to assess the impairment loss. The Company uses a provision matrix to compute the expected credit loss allowance for trade receivables. The provision matrix takes into account available external and internal credit risk factors and the Company's historical experience with customers. Total revenue from Tata Steel Limited is **₹ 91,214.80 Lakhs** (31st March 2023: ₹ 64,023.54 Lakhs) which comprise more than 10% of the total revenue of the Company.

**Other Financial Assets**

Credit risk from balances with banks, term deposits, loans and investments is managed by Company's finance department. Investments of surplus funds are made only with approved counterparties who meet the minimum threshold requirements. The Company's maximum exposure to credit risk for the components of the Balance Sheet as at 31st March 2024 and 31st March 2023 is the carrying amounts as disclosed in Note 48.

**Financial Assets that are Neither Past Due Nor Impaired**

None of the Company's cash equivalents with banks, loans and investments were past due or impaired as at 31st March 2024 and 31st March 2023.

**Financial Assets that are Past Due but Not Impaired**

The Company's credit period for customers generally ranges from 0 - 45 days. The ageing of trade receivables that are past due but not impaired (gross of provisions/allowances) is given below:

**Trade Receivables Ageing Schedule**

*₹ in Lakhs*

| Particulars | Outstanding for following periods from due date of payment as at 31st March 2024 | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Less than 6 months | 6 months -1 year | 1-2 years | 2-3 years | More than 3 years | Sub-Total | Unbilled Revenue | Receivable not yet due | Total |
| (i) Undisputed Trade receivables-considered good | 3,765.06 | 400.11 | 207.58 | 30.59 | - | **4,403.34** | 53.59 | 13,124.60 | **17,581.53** |
| (ii) Undisputed Trade Receivables-which have significant increase in credit risk | - | - | - | - | - | - | - | - | - |
| (iii) Undisputed Trade Receivables-credit impaired | - | - | 15.23 | 12.80 | 6.90 | **34.93** | - | - | **34.93** |
| (iv) Disputed Trade Receivables-considered good | - | - | - | - | - | - | - | - | - |
| (v) Disputed Trade Receivables-which have significant increase in credit risk | - | - | - | - | - | - | - | - | - |
| (vi) Disputed Trade Receivables-credit impaired | - | - | - | - | - | - | - | - | - |
| **Total** | **3,765.06** | **400.11** | **222.81** | **43.39** | **6.90** | **4,438.27** | **53.59** | **13,124.60** | **17,616.46** |

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₹ in Lakhs

| Particulars | Outstanding for following periods from due date of payment as at 31st March 2023 | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Less than 6 months | 6 months -1 year | 1-2 years | 2-3 years | More than 3 years | Sub-Total | Unbilled Revenue | Receivable not yet due | Total |
| (i) Undisputed Trade receivables-considered good | 5,337.76 | 741.16 | 67.83 | 19.37 | - | **6,166.12** | 113.08 | 12,185.58 | **18,464.78** |
| (ii) Undisputed Trade Receivables-which have significant increase in credit risk | - | - | - | - | - | - | - | - | - |
| (iii) Undisputed Trade Receivables-credit impaired | - | - | 12.80 | 0.13 | 6.77 | **19.70** | - | - | **19.70** |
| (iv) Disputed Trade Receivables-considered good | - | - | - | - | - | - | - | - | - |
| (v) Disputed Trade Receivables-which have significant increase in credit risk | - | - | - | - | - | - | - | - | - |
| (vi) Disputed Trade Receivables-credit impaired | - | - | - | - | - | - | - | - | - |
| **Total** | **5,337.76** | **741.16** | **80.63** | **19.50** | **6.77** | **6,185.82** | **113.08** | **12,185.58** | **18,484.48** |

Receivables are deemed to be past due or impaired with reference to the Company's policy on provisioning of receivables. Further, case to case basis are analysed with reference to the customer's credit quality and prevailing market conditions. Receivables that are not classified as 'Receivable not yet due' or 'Unbilled Revenue' in the above tables are those that have not been settled within the terms and conditions that have been agreed with that customer.

Other than trade receivables, the Company has no significant class of financial assets that is past due but not impaired.

### Reconciliation of Provision for Loss Allowance - Trade receivables

₹ in Lakhs

| Provision for Loss Allowance - Trade receivables | As at 31st March 2024 | As at 31st March 2023 |
|---|---|---|
| Balance at the beginning of the Year | **19.70** | 10.67 |
| Loss Allowance made during the Year | **15.23** | 12.93 |
| Provision written back during the Year | **-** | (3.90) |
| **Balance at the end of the Year** | **34.93** | 19.70 |

**(b) Liquidity Risk**

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company closely monitors its liquidity position and maintains adequate sources of financing.

Prudent risk liquidity management implies maintaining sufficient cash and cash equivalents and the availability of committed credit facilities to meet obligations when due.

Management monitors rolling forecasts of the Company's liquidity position on the basis of expected cash flow. The Company has access to the following undrawn borrowing facilities at the end of the reporting period.

₹ in Lakhs

| Particulars | As at 31st March 2024 | As at 31st March 2023 |
|---|---|---|
| Fund Based-Cash Credit, Bank Overdraft etc. | 5,000.00 | 900.00 |
| Non Fund Based-Letter of Credit, Bank Guarantee | 1,750.00 | 1,750.00 |

**Note:** The Company has made necessary filings with the Registrar of Companies (ROC) with respect to registration of charges against the above mentioned sanctioned limits within the statutory timelines.







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The quarterly returns/statements of the Current Assets filed by the Company with respective banks are in agreement with the books of accounts, other than as set out below:

| Name of the Bank | Aggregate working capital limits sanctioned (₹ in Lakhs) | Nature of Current Assets offered as Security | Quarter ended | Amount disclosed as per quarterly returns/ statements (₹ in Lakhs) | Amount as per books of account (₹ in Lakhs) | Difference (₹ in Lakhs) | Reasons for difference |
|---|---|---|---|---|---|---|---|
| HDFC Bank Limited | 6,750 | Exclusive Charge on Stock and Book Debt | 30th June 2023 | 25,283.20 | 25,305.38 | (22.18) | Incorrect amount of Gross Trade Receivables |

**Maturities of Financial Liabilities**

The table below analyse Company's financial liabilities into relavant maturity groupings based on their contractual maturities. The amount disclosed in the table are the contractual undiscounted cash flows.

### Liquidity Risk : Maturities of Financial Liabilities

₹ in Lakhs

| Particulars | As at 31st March 2024 | | | | |
|---|---|---|---|---|---|
| | Upto 1 Year | 1 Year to 3 Years | 3 Years to 5 Years | More than 5 Years | Total |
| Trade Payables | 14,214.92 | - | - | - | **14,214.92** |
| Lease Liabilities | 17,974.80 | 29,481.62 | 26,745.09 | 75,971.27 | **150,172.78** |
| Other Financial Liabilities | 1,286.25 | 71.78 | 67.35 | 109.20 | **1,534.58** |
| **Total** | **33,475.97** | **29,553.40** | **26,812.44** | **76,080.47** | **165,922.28** |

₹ in Lakhs

| Particulars | As at 31st March 2023 | | | | |
|---|---|---|---|---|---|
| | Upto 1 Year | 1 Year to 3 Years | 3 Years to 5 Years | More than 5 Years | Total |
| Trade Payables | 12,395.76 | - | - | - | 12,395.76 |
| Lease Liabilities | 10,032.64 | 12,216.90 | 6,365.66 | 12,555.43 | 41,170.63 |
| Other Financial Liabilities | 1,476.62 | 46.92 | 45.95 | 106.71 | 1,676.20 |
| **Total** | **23,905.02** | **12,263.82** | **6,411.61** | **12,662.14** | **55,242.59** |

**(c) Market Risk**

**i) Foreign Currency Exchange Rate Risk:**

Foreign currency risk is the risk that the fair value of the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company transacts business in local currency. Accordingly, the Company does not have any exposure to Foreign Currency Risk at the end of the reporting period.

**ii) Interest Rate Risk :**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company do not have any interest bearing financial liabilities. The Company's interest earning financial assets are term deposits with banks, which are fixed rate interest bearing investments and accordingly, the Company is not significantly exposed to interest rate risk.

**(d) Securities Price Risk**

Securities price risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market traded prices. The Company invests its surplus funds in various debt instruments, which mainly comprises liquid schemes of mutual funds. Mutual fund investments are susceptible to market price risk, mainly arising from changes in the interest rates or market yields which may impact the return and value of such investments.

**Securities Price Risk Exposure**

The Company's exposure to securities price risk arises from investments in mutual funds held by the Company and classified in the Balance Sheet as fair value through profit or loss, as disclosed in Note 48.

TM International Logistics Limited

Notes forming part of the Standalone Financial Statements for the Year ended 31st March 2024

## 50. Capital Management

The Company's objectives when managing capital are to

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

The Company determines the amount of capital required on the basis of annual business plan also taking into consideration any long term strategic investment and expansion plans. The funding needs are met through equity and cash generated from operations.

## 51. Ageing Schedule

**(a) Trade Payables**

*₹ in Lakhs*

| Particulars | Outstanding for following periods from due date of payment as at 31st March 2024 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Sub-Total | Unbilled Trade Payable | Trade payable - not yet due | Total |
| **Undisputed Trade Payables** | | | | | | | | |
| Micro Enterprises and Small Enterprises | 311.79 | 19.50 | 5.14 | 9.09 | **345.52** | - | 452.28 | **797.80** |
| Others | 2,845.78 | 125.42 | 14.57 | 0.20 | **2,985.97** | 5,863.95 | 4,567.20 | **13,417.12** |
| **Disputed Trade Payables** | | | | | | | | |
| Micro Enterprises and Small Enterprises | - | - | - | - | - | - | - | - |
| Others | - | - | - | - | - | - | - | - |
| **Total** | **3,157.57** | **144.92** | **19.71** | **9.29** | **3,331.49** | **5,863.95** | **5,019.48** | **14,214.92** |

*₹ in Lakhs*

| Particulars | Outstanding for following periods from due date of payment as at 31st March 2023 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Sub-Total | Unbilled Trade Payable | Trade payable - not yet due | Total |
| **Undisputed Trade Payables** | | | | | | | | |
| Micro Enterprises and Small Enterprises | 263.05 | - | - | - | **263.05** | - | 231.51 | **494.56** |
| Others | 1,900.90 | 6.36 | 5.15 | 6.49 | **1,918.90** | 5,848.77 | 4,133.53 | **11,901.20** |
| **Disputed Trade Payables** | | | | | | | | |
| Micro Enterprises and Small Enterprises | - | - | - | - | - | - | - | - |
| Others | - | - | - | - | - | - | - | - |
| **Total** | **2,163.95** | **6.36** | **5.15** | **6.49** | **2,181.95** | **5,848.77** | **4,365.04** | **12,395.76** |

**(b) Intangible Assets under Development**

(i) Ageing

*₹ in Lakhs*

| Particulars | As at 31st March 2024 | | | | |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| Projects in progress | **28.90** | **-** | **-** | **5.85** | **34.75** |

There are no projects which have been temporarily suspended as at 31st March 2024.

*₹ in Lakhs*

| Particulars | As at 31st March 2023 | | | | |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| Projects in progress | **-** | **-** | **-** | **5.85** | **5.85** |

There are no projects which have been temporarily suspended as at 31st March 2023.

ii) For Intangible Assets under Development, whose completion is overdue or has exceeded the cost compared to its original plan, following is the expected completion schedule

*₹ in Lakhs*

| Particulars | As at 31st March 2024 | | | | |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| Business Process Re-engineering | **5.85** | **-** | **-** | **-** | **5.85** |

*₹ in Lakhs*

| Particulars | As at 31st March 2023 | | | | |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| Business Process Re-engineering | **5.85** | **-** | **-** | **-** | **5.85** |

## 52 Ratio Disclosures

*₹ in Lakhs*

| Ratio Disclosures | As at 31st March 2024 | % change as compared to 31st March 2023 | As at 31st March 2023 | Remarks for change more than 25% |
|---|---|---|---|---|
| (a) Current Ratio | 0.91 | -25.70% | 1.23 | Primarly due to increase in current lease liabilities and contract liabilities. |
| (b) Debt-Equity Ratio | 3.63 | 191.58% | 1.25 | Primarly due to increase in lease liabilities. |
| (c) Debt Service Coverage Ratio | 2.69 | 54.32% | 1.74 | Primarily due to increase in Dividend received from subsidiaries. |
| (d) Return on Equity Ratio | 91.09% | 307.93% | 22.33% | Primarily due to increase in Dividend received from subsidiaries. |
| (e) Inventory Turnover Ratio | 479.68 | 42.37% | 336.93 | Primarily due to increase in Revenue from Operations. |
| (f) Trade Receivables Turnover Ratio | 5.77 | 48.63% | 3.88 | Primarily due to increase in Revenue from Operations. |
| (g) Trade Payables Turnover Ratio | 5.61 | 34.47% | 4.17 | Primarily due to increase in operating expenses. |
| (h) Net Capital Turnover Ratio | -28.39 | -359.92% | 10.92 | Primarly due to increase in current lease liabilities and contract liabilities. |
| (i) Net Profit Ratio | 23.49% | 214.91% | 7.46% | Primarly due to increase in Dividend received from subsidiaries. |
| (j) Return on Capital employed | 106.33% | 231.50% | 32.08% | Primarly due to increase in Dividend received from subsidiaries. |
| (k) Return on Investment | 25.37% | 127.63% | 11.15% | Primarly due to increase in Dividend received from subsidiaries. |

**Description of Ratio**

**a. Current Ratio= Total Current Assets / Total Current Liabilities**

**b. Debt-Equity Ratio= Total Debt / Shareholder's Equity**

[Total Debt= Non-Current Lease Liabilities + Current Lease Liabilities]

[Shareholder's Equity = Equity Share Capital + Other Equity]

**c. Debt service coverage ratio= Earnings available for debt services / Debt service**

[Earnings available for debt services = Profit After Taxes + Non-cash Operating expense i.e Depreciation & Amortization + Finance Cost + Other adjustments viz. loss on sale of fixed assets, etc]

[Debt service= Principal and Interest element of Lease Payments]

**d. Return on Equity Ratio=** Profit After Taxes / Average Total Equity

**e. Inventory Turnover Ratio=** Revenue from Operations/ Average Inventory

**f. Trade Receivables Turnover Ratio=** Revenue from Operations / Average Trade Receivables

**g. Trade Payables Turnover Ratio=** Operating Expenses / Average Trade Payables

TM International Logistics Limited

## Notes forming part of the Standalone Financial Statements for the Year ended 31st March 2024

**h. Net Capital Turnover Ratio=** Revenue from Operations/ Working Capital

[Working Capital= Current Assets - Current Liabilities]

**i. Net Profit Ratio=** Profit After Taxes / Net Revenue

**j. Return on Capital Employed** = EBIT / Capital Employed

[Capital Employed= Total Equity]

**k. Return on Investment=** EBIT/Average Total Assets

### 53. Additional Regulatory Information required by Schedule III

**(a) Details of benami property held**

No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

**(b) Wilful defaulter**

The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

**(c) Relationship with struck off companies**

The Company has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

**(d) Compliance with number of layers of companies**

The Company has complied with the number of layers prescribed under the Companies Act, 2013.

**(e) Compliance with approved scheme(s) of arrangements**

The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

**(f) Utilisation of borrowed funds and share premium**

(i) The Company has not advanced or loaned or invested funds to any other person or entity, including foreign entity (Intermediary) with the understanding (whether recorded in writing or otherwise)that the Intermediary shall:

**a.** directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiary) or

**b.** provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiary.

(ii) The Company has not received any fund from any person or entity, including foreign entity (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

**a.** directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiary) or

**b.** provide any guarantee, security or the like on behalf of the Ultimate Beneficiary.

**(g) Undisclosed Income**

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961 that has not been recorded in the books of accounts.

**(h) Details of crypto currency or virtual currency**

The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

**(i) Valuation of Property, Plant and Equipment (including Right-of-use Assets) and Intangible Assets**

The Company has not revalued its Property, Plant and Equipment (including Right-of-use Assets) or Intangible Assets or both during the current or previous year.

### 54. LIST OF RELATED PARTIES AND RELATIONSHIP

**(a) Entities with Joint Control of or Significant influence over the Company:**

| Name | Type | Place of Incorporation |
|---|---|---|
| Tata Steel Limited | Joint Venturer | India |
| IQ Martrade Holding Und Management GmbH | Joint Venturer | Germany |
| NYK Holding (Europe) B.V. | Joint Venturer | Netherlands |

**(b) The Company has following Subsidiaries and Step-down Subsidiary Companies:-**

| Name | Type | Place of Incorporation |
|---|---|---|
| International Shipping Logistics FZE | Wholly Owned Subsidiary | UAE |
| TKM Global Logistics Limited | Wholly Owned Subsidiary | India |
| TKM Global GmbH | Wholly Owned Subsidiary of TKM Global Logistics Limited | Germany |
| TKM Global China Limited | Wholly Owned Subsidiary of TKM Global Logistics Limited | China |

**(c) Joint Venture of Entities with Joint Control of or Significant influence over the Company:**

- Tata NYK Shipping Pte Ltd.
- TRF Limited
- mjunction services limited



TM International Logistics Limited

Notes forming part of the Standalone Financial Statements for the Year ended 31st March 2024

**(d) The Company has the following Fellow Subsidiaries with which Transactions have taken place during the Current/ Previous Year**

- The Indian Steel and Wire Products Limited
- Tata Metaliks Limited (Merged with Tata Steel Limited)
- Jamshedpur Continous Annealing & Processing Company Private Limited
- Tata Steel Long Products Limited (Merged with Tata Steel Limited)
- The Tinplate Company of India Limited (Merged with Tata Steel Limited)
- Tata Steel Utilities and Infrastructure Services Limited
- Tata Steel Downstream Products Limited
- Neelachal Ispat Nigam Limited
- Subarnarekha Port Private Limited
- Tata Steel Mining Limited (Merged with Tata Steel Limited)

**(e) Key Managerial Personnel of the Company**

| Name | Relationship |
|---|---|
| Mr. Dinesh Shastri | Managing Director |
| Mr. Virendra Sinha | Independent Director |
| Mr. Shinichi Yanagisawa (w.e.f. 1st April 2022) | Non-Executive Director |
| Mr. Peeyush Gupta | Non-Executive Director |
| Mr. Sandeep Bhattacharya (till 3rd January 2023) | Non-Executive Director |
| Mr. Guenther Hahn | Non-Executive Director |
| Ms. Stephanie Sabrina Hahn | Non-Executive Director |
| Mr. Dibyendu Dutta (w.e.f 18th May 2023) | Non-Executive Director |
| Mr. Rajiv Mukerji (till 31st December 2022) | Non-Executive Director |
| Mr. Amitabh Panda | Non-Executive Director |
| Captain Amit Wason (till 23rd November 2022) | Non-Executive Director |
| Captain Sandeep Chawla (w.e.f 19th January 2023) | Non-Executive Director |
| Mr. Subodh Pandey (w.e.f 19th January 2023) | Non-Executive Director |

**(f) Others with which Transactions have taken place during the Current/ Previous Year**

| Name | Relationship |
|---|---|
| TM International Logistics Limited Employees' Provident Fund | Post Employment Benefit Plan of the Company |

### 55. Particulars of Transactions with Related Parties during the Year and Balances Outstanding at Year-end

*₹ in Lakhs*

| Particulars | Entities with Joint Control of or Significant Influence over the Company | Fellow Subsidiaries | Subsidiaries | Joint Venture of Tata Steel Limited | Total |
|---|---|---|---|---|---|
| **Transactions** | | | | | |
| Rendering of Services | **90,874.66** | **1,552.40** | **3.33** | **280.21** | **92,710.60** |
| | *(64,023.54)* | *(3,673.99)* | *(11.02)* | *(257.12)* | *(67,965.67)* |
| Deputation Income Earned | **-** | **-** | **52.42** | **101.43** | **153.85** |
| | - | - | *(73.28)* | *(91.07)* | *(164.35)* |
| Receiving of Services | **576.31** | **-** | **999.39** | **-** | **1,575.70** |
| | *(583.32)* | - | *(883.03)* | - | *(1,466.35)* |
| Dividend Received | **-** | **-** | **22,113.01** | **-** | **22,113.01** |
| | - | - | *(3,300.00)* | - | *(3,300.00)* |
| Recovery of Expenses | **82,374.04** | **2,956.67** | **366.37** | **5,024.35** | **90,721.43** |
| | *(74,467.06)* | *(5,320.68)* | *(638.63)* | *(4,673.53)* | *(85,099.90)* |

TM International Logistics Limited

## Notes forming part of the Standalone Financial Statements for the Year ended 31st March 2024

| Particulars | Entities with Joint Control of or Significant Influence over the Company | Fellow Subsidiaries | Subsidiaries | Joint Venture of Tata Steel Limited | Total |
|---|---|---|---|---|---|
| Reimbursement of Expenses | **-** | **-** | **167.76** | **-** | **167.76** |
| | - | - | (69.70) | - | (69.70) |
| Rental Income | **-** | **-** | **26.75** | **-** | **26.75** |
| | - | - | (12.70) | - | (12.70) |
| Dividend Paid | **22,000.00** | **-** | **-** | **-** | **22,000.00** |
| | (3,300.00) | - | - | - | (3,300.00) |
| **Balance outstanding as at Year-end** | | | | | |
| Trade Receivables | **15,973.64** | **456.63** | **25.04** | **284.50** | **16,739.81** |
| | (15,057.73) | (2,075.43) | - | (301.33) | (17,434.49) |
| Security Deposit Received | **32.64** | **-** | **-** | **-** | **32.64** |
| | (71.65) | - | - | - | (71.65) |
| Advance to Supplier/Service Provider | **5.04** | **-** | **131.70** | **-** | **136.74** |
| | - | - | (131.81) | - | (131.81) |
| Trade Payables | **135.50** | **-** | **346.66** | **-** | **482.16** |
| | (40.77) | - | (18.79) | - | (59.56) |
| Other Financial Liabilities: Other Liabilities | **1,216.16** | **-** | **-** | **-** | **1,216.16** |
| | (1,359.04) | - | - | - | (1,359.04) |
| Security Deposit Given | **0.81** | **-** | **146.52** | **-** | **147.33** |
| | (0.81) | - | (38.86) | - | (39.67) |
| Contract Liabilities | **5,136.21** | **74.08** | **-** | **186.10** | **5,396.39** |
| | (1,852.60) | (996.99) | - | (271.26) | (3,120.85) |

Figures in bracket represents transactions with related parties during the Year ended 31st March 2023 and balances as at 31st March 2023.

### Post Employment Benefit Plans

*₹ in Lakhs*

| Particulars | For the Year ended 31st March 2024 | For the Year ended 31st March 2023 |
|---|---|---|
| Contribution towards Provident Fund | **71.33** | 242.95 |

### Transactions with Key Management Personnel

*₹ in Lakhs*

| Particulars | For the Year ended 31st March 2024 | For the Year ended 31st March 2023 |
|---|---|---|
| Remuneration to Key Management Personnel | | |
| Short-term Benefits # | **368.74** | 295.67 |
| | | |
| **Balance Outstanding as at the Year end** | | |
| Short-term Benefits (grouped under Trade Payables) | **31.51** | 25.33 |
| Commission Payable to Key Management Personnel (grouped under Trade Payables) | **20.00** | 20.00 |

# Includes Deputation Charges paid/ payable to Tata Steel Limited for Mr. Dinesh Shastri (Managing Director) - **₹ 340.14 Lakhs** (31st March 2023: ₹ 267.67 Lakhs).

**For Price Waterhouse & Co Chartered Accountants LLP**
**Firm Registration No. 304026E / E300009**

**For and on behalf of the Board of Directors**

**Dhiraj Kumar**
Partner
Membership Number: 060466

**Dinesh Shastri**
Managing Director
DIN: 02069346

**Peeyush Gupta**
Chairman
DIN: 02840511

**Jyoti Purohit**
Company Secretary
Place: Kolkata
Date: 25th April 2024

**Nandan Nandi**
Chief Financial Officer

Place: Kolkata
Date: 25th April 2024


# TKM Global Logistics Limited

Statutory Reports & Financial Statements

# CORPORATE INFORMATION

**Board of Directors**
As on 1st April, 2024

**Chairman**
Mr. Dinesh Shastri

**Directors**
Mr. Virendra Sinha
Mr. Amar Patnaik
Mr. Nandan Nandi

**Committee of Directors**

**Audit Committee**
Mr. Virendra Sinha (Chairman)
Mr. Dinesh Shastri (Member)
Mr. Nandan Nandi (Member)
Mr. Amar Patnaik (Member)

**Nomination and Remuneration Committee**
Mr. Nandan Nandi (Chairman)
Mr. Dinesh Shastri (Member)
Mr. Virendra Sinha (Member)
Mr. Amar Patnaik (Member)

**Corporate Social Responsibility Committee**
Mr. Dinesh Shastri (Chairman)
Mr. Virendra Sinha (Member)
Mr. Amar Patnaik (Member)
Mr. Nandan Nandi (Member)

**Management Team**
Mr. Manish Agarwal (Country Head-TKM India)
Ms. Shabana Khan (Chief Human Resource Officer)

**Statutory Auditors**
Price Waterhouse & Co. Chartered Accountants LLP
Plot No. 56 & 57, Block –DN, Sector V,
Salt Lake, Kolkata- 700091

**Bankers**
Citi Bank
HDFC Bank

**Registered Office**
Tata Centre
43, Jawaharlal Nehru Road
Kolkata- 700071

**Corporate Office**
7th Floor, Infinity IT Lagoon,
Plot E 2-2/1, Block EP & GP,
Sector – V, Salt Lake,
Kolkata 700 091
Tel: 03368286000

**Corporate Identification Number (CIN)**
U51109WB1991PLC051941







## TKM GLOBAL LOGISTICS LIMITED

# DIRECTORS' REPORT

*CIN: U51109WB1991PLC051941*

*[Pursuant to Section 134(3) of the Companies Act, 2013 and Rule 8 of the Companies Accounts Rules, 2014]*

*TO THE MEMBERS,*

The Directors present the Thirty third Annual Report of TKM Global Logistics Limited on the business and operations of the Company together with the Audited Statement of Accounts for the year ended 31st March 2024.

## A. FINANCIAL HIGHLIGHTS

*(Rs in Crores)*

| Sl No. | Particulars | 31.03.2024 | 31.03.2023 |
|---|---|---|---|
| (a) | Total Income | 160.76* | 76.07 |
| (b) | Less: Operating and Administrative Expenses | 42.27 | 45.43 |
| (c) | Profit before interest, depreciation and taxes | 118.49 | 30.64 |
| (d) | Less: Depreciation | 4.59 | 2.59 |
| (e) | Less: Interest | 1.31 | 0.72 |
| (f) | **Profit before taxes (PBT)** | **112.59** | **27.33** |
| (g) | Less: taxes (incl. deferred taxes) | 3.22 | 0.99 |
| (h) | **Profit after taxes (PAT)** | **109.37** | **26.34** |

**Total Income includes Dividend Income (i.e. Interim Dividend of Rs. 100.05 crores for FY 2023-24 & Final Dividend of Rs. 20 crores for FY 2022-23.)*

### 1. Interim Dividend

During the Financial Year 2023-24, in accordance with the provisions of the Companies Act 2013, the Board of Directors in their meeting held on 18th March, 2024 had declared an interim dividend @ Rs. 222.22/- per equity share on 36 lacs equity shares of Rs. 10/- each amounting to Rs. 80 crores (Rupees Eighty crores).

### 2. Transfer to reserves

The Company has not transferred any amount to Reserves for the year ended 31st March, 2024.

## B. OPERATION AND PERFORMANCE

### 1. Operation

**Freight Forwarding:-** Operations were realigned to adapt to a new normal and ensure business continuity. In the freight forwarding business, the Company achieved air imports volumes of 348 MT, higher by 19% from FY'23. Air exports is 22 MT, which is similar to FY'23.

Sea Export volume handled is 8161 TEUs, which includes Annual Rate Contract Module. It is 114% of the total volume achieved in FY'23.

During the year, air freight rates have dropped by 45% from the average rates prevailing during FY'23.

As a way forward for Freight Forwarding division, the Company plans to focus on business from the Tata Group in Southern India for Exim.

It also plans to review the overheads and rationalize cost in order to remain competitive in business.

The Company ventured into handling of super ODC and super critical cargo movement for inland and multimodal transportation.

Strategies were implemented to ensure timely execution by clubbing inputs from resources operating from different locations to serve business from existing customers.

It managed to retain the material handling contract in July '23 for another 18 months at Kalinganagar. It is a operation inside plant with JIT delivery of project material at project site namely -CRM, Pellet Plant and Blast Furnace and expansion project going on at the plant.

Operations were integrated with CHAIL and Warehousing Verticals in last FY'23, which has created synergy in operations. In its Warehouse business, the Company achieved a Revenue of Rs. 17.69 Cr as compared to the FY'23 Revenue of Rs. 15.60 Cr.

A new business with bundled offering covering all activities from Port of Loading to Plant Site in India has been received from Tata Steel, ISWP for the Combi-Mill project at Jamshedpur.

## C. STRENGTHS, WEAKNESSES, OPPORTUNITIES & THREATS

**a. Strengths**

i. Ability to provide end-to-end logistics solutions.

ii. Ready to provide logistics solutions through network partners on a Pan India basis.

iii. Manage just-in-time supply requirement.

**b. Weakness**

i. Not able to offer aggressive freight rates in comparison to competition.

ii. Weak overseas network.

iii. Limited ability to console inbound air/sea cargo.

**c. Opportunities**

i. Tata Steel and its group companies, which have huge expansion plans, could be tapped for FF business.

ii. Tapping non-Tata customers with high volume in western region.

**d. Threats**

i. Shipping lines directly contacting MSME customers obviating the need for freight forwarders.

ii. Possible development of Online Freight Trading Platforms obviating the need for Freight Forwarders.

## D. CORPORATE GOVERNANCE

The Company is committed to maintaining a high standard of corporate governance practices and procedures. It believes that good corporate governance practices are essential for enhancing shareholder value and in carrying on business, imbibing the principles of trusteeship, empowerment, innovation, corporate social responsibility, transparency and ethical practices.

The Committees constituted by the Board of Directors viz., Audit Committee, Nomination & Remuneration Committee and Corporate & Social Responsibility Committee have functioned effectively during the year under review.

Various policies like, Nomination & Remuneration Policy, Corporate Social Responsibility Policy, Prevention of Sexual Harassment (POSH) at Workplace Policy as required under the Companies Act 2013 are in place and are being adhered.

### 1. Board of Directors and their meetings

As on 31st March, 2024, the Board comprised of 4 (Four) Non-Executive Directors. The composition of the Board of Directors along with the details of the meetings held during the year under review has been attached an as Annexure to this report. None of the Directors of the Company are disqualified under Section 164 of the Companies Act, 2013.

**Re-appointment of Directors retiring by rotation -** In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Dinesh Shastri - Non Executive Director retire by rotation and being eligible has offered himself for re-appointment.

*Appropriate resolution seeking members' approval to the aforesaid appointment is appearing in the Notice convening the 33rd Annual General Meeting of the Company.*

**Independent Directors -** As per the Amendment to the rules of Companies (Appointment and Qualification of Director) vide notification dated 5th July, 2017, issued by Ministry of Corporate Affairs, TKM Global Logistics Limited, being a wholly owned subsidiary of TM International Logistics Limited, is exempted from mandatorily appointing an Independent Director in its Board.

**Meetings of the Board -** During the financial year ended 31st March, 2024, 5 (five) Board Meetings were held on 12th April 2023, 11th July 2023, 12th October 2023, 15th January 2024 and 18th March, 2024. The intervening gap between the meetings was within the period prescribed under the Act and notifications issued by the Ministry of Corporate Affairs from time to time.

### 2. Committees of the Board of Directors & their meetings

As on 31st March 2024, the Audit Committee, Nomination & Remuneration Committee and Corporate Social Responsibility Committee comprised of 4 (Four) Non-Executive Directors. The names of the members of the Committees along with the details of the meetings held are provided as an annexure to this Report.

### a. Audit Committee

TKM being a Wholly Owned Subsidiary Company of TMILL is exempted from having an Independent Director and hence formation of an Audit Committee is also not mandatory, still the same has been duly constituted. The primary objective of the Committee is monitoring and supervising the Management's financial reporting process to ensure accurate and timely disclosures with highest levels of transparency, integrity and quality of financial reporting. The Committee met 4 (four) times during the financial year ended 31st March, 2024 on 12th April 2023, 11th July 2023, 12th October 2023 and 15th January 2024.

During the financial year, there has been no instance where the Board has not accepted any recommendation of the Committee.

### b. Nomination & Remuneration Committee

For TKM, formation of an NRC is not mandatory, still the same has been duly constituted. The primary objective of the Committee is to recommend the appointment of Directors, conduct an effective evaluation of performance of Board, its committees and individual Directors and recommend to the Board a policy, relating to the remuneration for the Directors and other employees. The Committee met 1 (One) time during the financial year ended 31st March, 2024 on 12th April, 2023.

During the financial year, there has been no instance where the Board has not accepted any recommendation of the Committee.

The Nomination and Remuneration Policy as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors of the Company remains unchanged.

### c. Corporate Social Responsibility Committee

In compliance with the relevant provisions of the Companies Act, 2013 and the rules made thereunder, TKM has constituted a CSR Committee. The Company has a well-defined CSR Policy approved by the Board of Directors on March 17, 2015 and last revised on October 7, 2021. The Committee met 1 (One) time during the financial year ended 31st March, 2024 on 11th July, 2023.

The CSR policy of the company prepared in line with the Companies Act, 2013 and Tata Steel group norms, is available on company's website ***https://www.tkmglobal.com/pdf/tkm-csr-policy-revised.pdf.***

The Company spent an amount of Rs. 22.23 lacs in FY'2023-24 as against the requirement of Rs. 22.22 lakhs (mandatory spend) on CSR activities.

The expenditure incurred were in accordance with Schedule VII of the Companies Act, 2013. Annual Report on CSR containing particulars as required under Section 135 of the Act and Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 has been attached as an Annexure to this report. **(Refer Annexure B-Annual Report on CSR).**

**Details of composition of the Board, its Committees and their meetings held during the year under review are given in Annexure A- Details of meeting of Board & Committees.**

### 3. Directors' Responsibility Statement

The Company is in compliance with various accounting and financial reporting requirements in respect of the financial statements for the year under review. Pursuant to Section 134(5) of the Companies Act, 2013 and in respect of the Annual Accounts for the year under review, the Directors hereby confirm that:

i. in the preparation of the annual accounts, the applicable accounting standards had been followed with proper explanation relating to material departures;

ii. the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;

iii. the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

iv. the Directors had prepared the annual accounts on a going concern basis; and

v. the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### 4. Board Evaluation

The Board evaluated the effectiveness of its functioning, that of the Audit, Nomination & Remuneration and CSR Committees and of individual Directors. The manner in which the evaluation has been carried out has been explained in the Nomination and Remuneration Policy as adopted by the Company.

The Board sought the feedback of Directors on various parameters including:

- Degree of fulfillment of key responsibilities towards stakeholders (by way of monitoring corporate governance practices, participation in the long-term strategic planning, etc.);
- Structure, composition and role clarity of the Board and Committees;
- Extent of co-ordination and cohesiveness between the Board and its Committees;
- Effectiveness of the deliberations and process management;
- Board/Committee culture and dynamics; and
- Quality of relationship between Board Members and the Management.

The evaluation process endorsed the Board Members' confidence in the ethical standards of the Company, cohesiveness amongst the Board Members, constructive relationship between the Board and the Management and the openness of the Management in sharing strategic information to enable Board Members to discharge their responsibilities.

### 5. Auditors

The Auditors of the Company, M/s Price Waterhouse & Co. Chartered Accountants LLP, Kolkata, were re-appointed for another term of 5 years at the 31st AGM held in the year 2022 to hold office upto the conclusion of the 36th Annual General Meeting of the Company to be held in the year 2027. In line with the Companies Amendment Act 2017, which has omitted the provision relating to annual ratification of appointment of Statutory Auditors by members in Annual General Meeting, only a confirmation letter has been obtained from them confirming that they are eligible to continue as the Statutory Auditors of the Company

No qualification, reservation or adverse remark or disclaimer have been made by the Auditor's in their report.

### 6. Audit Observations & Explanations

No qualification, reservation or adverse remark or disclaimer have been made by the Auditor's in their report.

### 7. Risk Management

TKM follows Enterprise Risk Management (ERM) structure for the management of Risks as part of TMILL ERM framework. The updated risk register of TKM group is in alignment with recent changes introduced in TSL ERM context.

The Company has developed mitigation strategies for all the Risks. These are reviewed by the top management on a periodical basis.

### 8. Significant and Material Orders passed by the Regulators or Courts

There have been no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and the Company's future operations. However, members' attention is drawn to the statement on contingent liabilities, commitments in the notes forming part of the Financial Statements.

### 9. Particulars of Loans, Guarantees or Investments

The Company has not given any loans, guarantees or made any investment as per the provisions of Section 186 of the Companies Act, 2013.

### 10. Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

Information as per Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is as below:

A. Conservation of Energy: The Company is not a major consumer of energy.

B. Technology Absorption: Nil

C. Foreign exchange earnings & outgo: The foreign exchange earnings in terms of inflows during the year was Rs. 0.93 crores on account of freight, agency fees and others and the foreign exchange outgo during the year in terms of outflows was Rs. 6.48 crores on account of freight and foreign travel.

### 11. Public Deposits

The Company has not accepted or renewed any deposit from the public during the year under report.

### 12. Related Party Disclosures

During the year under review, the Company did not have any contracts or arrangements with related parties in terms of Section 188(1) of the Companies Act, 2013.

Accordingly, particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Companies Act, 2013 along with the justification for entering into such contracts or arrangements in Form AOC-2 has not been included in the report, as the same is not applicable.

### 13. Extract of Annual Return

The Extract of the Annual Return under cover of Form MGT 9, as per the provisions of Section 92(3) & Section 134 (3) of the Companies Act 2013 read with Rule 12 of Companies (Management & Administration) Rules, 2014, has been uploaded on the website of the Company-***https://www.tmilltd.com/finance-policies/key-financials.aspx.***

### 14. Secretarial Standards

The Company has in place proper systems to ensure compliance with the provisions of the applicable secretarial standards issued by The Institute of Company Secretaries of India and such systems are adequate and operating effectively.

### 15. Internal Financial Control & Internal Audit

As required under Section 134(3) (q) of the Companies Act 2013 read with Rule 8(5) (viii) of Companies (Accounts) Rules, 2014 and the guidance note issued by the Institute of Chartered Accountant of India, the Company has adopted and implemented Internal Control over Financial Reporting (ICOFR) which commensurate with the size, scale and complexity of the Company's business. The Company confirms having the following in place:

- an Internal Audit System whose reports are reviewed by the Audit Committee;
- orderly and efficient conduct of Company's Business, including adherence to Company's policies;
- procedures to safeguard Company's assets;
- procedures to prevent and detect frauds and errors,
- accuracy and completeness of the accounting records.

## E. SUBSIDIARY COMPANIES

The statement pursuant to Section 129 of the Companies Act, 2013 read with Rule 5 of Companies (Accounts) Rules, 2014 in respect of the subsidiaries of the Company viz. TKM Global GmbH, Germany and TKM Global China Ltd., China is provided as an annexure to this report. **(Refer Annexure C- AOC 1)**

There has been no material change in the nature of the business of the subsidiaries.

## F. ACKNOWLEDGEMENT

The Directors wish to take the opportunity to place on record their sincere appreciation and gratitude for the continued assistance, support and co-operations extended by all Government Authorities, Banks, Overseas Agents, Clearing Agents, Shipping Lines, Air Lines and other business associates and last but not the least the Members of the Company.

**For and on behalf of the Board**

**Dinesh Shastri**
Chairman
DIN: 02069346

**Nandan Nandi**
Director
DIN: 09364725

Place: Kolkata
Date: 23rd April, 2024

# Annexure A

## DETAILS OF MEETING OF BOARD & COMMITTEES - FY 2023-24

**Meeting of the Board of Directors for FY 2023-24**

| Name of the Directors | Composition | No. of meetings held | No. of meetings attended |
|---|---|---|---|
| Mr. Dinesh Shastri | Chairman | 5 | 5 |
| Mr. Virendra Sinha | Non- Executive | 5 | 5 |
| Mr. Amar Patnaik | Non- Executive | 5 | 3 |
| Mr. Nandan Nandi | Non- Executive | 5 | 5 |

**Meeting of the Audit Committee**

| Name of the Directors | Composition | No. of meetings held | No. of meetings attended |
|---|---|---|---|
| Mr. Virendra Sinha | Chairman | 4 | 4 |
| Mr. Amar Patnaik | Non- Executive | 4 | 2 |
| Mr. Nandan Nandi | Non- Executive | 4 | 4 |
| Mr. Dinesh Shastri | Non- Executive | 4 | 4 |

**Meeting of the Nomination & Remuneration Committee**

| Name of the Directors | Composition | No. of meetings held | No. of meetings attended |
|---|---|---|---|
| Mr. Nandan Nandi | Chairman | 1 | 1 |
| Mr. Dinesh Shastri | Non- Executive | 1 | 1 |
| Mr. Amar Patnaik | Non- Executive | 1 | 1 |
| Mr. Virendra Sinha | Non- Executive | 1 | 1 |

**Meeting of the Corporate Social Responsibility Committee**

| Name of the Directors | Composition | No. of meetings held | No. of meetings attended |
|---|---|---|---|
| Mr. Dinesh Shastri | Chairman | 1 | 1 |
| Mr. Nandan Nandi | Non- Executive | 1 | 1 |
| Mr. Amar Patnaik | Non- Executive | 1 | 1 |
| Mr. Virendra Sinha | Non- Executive | 1 | 1 |





# Annexure B to the Director's Report

## Annual Report on CSR Activities Included as part of Board's Report for Financial Year 2023-2024

1. Brief outline on CSR Policy of the Company- Corporate Social Responsibility (CSR) emphasizes the ethical, social, and environmental impacts of company operations. As per the CSR Policy of TMILL, the focus area includes education & employability, which enhances individuals with knowledge, skills and opportunities they need to succeed in the modern economy. We enrich rural communities' quality of life by promoting health and sanitation. We also have integrated environmental stewardship and livelihood enhancement as our focus areas; thereby contribute to environmental conservation, social well-being, and economic empowerment.

2. Composition of Corporate Social Responsibility & Sustainability Committee as on 31st March, 2024:

| Sl. No. | Name of Director | Designation / Nature of Directorship | Number of meetings of CSR Committee held during the year | Number of meetings of CSR Committee attended during the year |
|---|---|---|---|---|
| 1 | Mr. Amar Patnaik | Non-Executive Director | 1 | 1 |
| 2 | Mr. Dinesh Shastri | Non-Executive Director | 1 | 1 |
| 3 | Mr. Nandan Nandi | Non-Executive Director | 1 | 1 |
| 4 | Mr. Virendra Sinha *(Appointed in April, 2023)* | Non-Executive Director | 1 | 1 |

3. Provide the web-link where Composition of CSR Ccommittee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company.

| CSR Committee | CSR Policy | CSR Projects |
|---|---|---|
| *https://www.tmilltd.com/pdf/csr-board-committee* | *https://www.tmilltd.com/finance-policies/company-policies.aspx* | *https://www.tmilltd.com/pdf/csr-projects.pdf* |

4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable. **Not Applicable**

5. (a) Average net profit of the company as per section 135(5). **Rs. 11.11 Crores**
   (b) Two percent of average net profit of the company as per section 135(5)- **Rs. 22.22 Lacs**
   (c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years - **NIL**
   (d) Amount required to be set off for the financial year, if any - **NIL**
   (e) Total CSR obligation for the financial year (5b+5c-5d) - **Rs. 22.22 Lacs**

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project). **Rs. 22.23 Lacs**
   (b) Amount spent in Administrative overheads – **NIL**
   (c) Amount spent on Impact Assessment, if applicable – **NIL**
   (d) Total amount spent for the Financial Year [(a)+(b)+(c)]. **Rs. 22.23 Lacs**
   (e) CSR amount spent or unspent for the Financial Year:

| Total Amount Spent for the Financial Year. (in ₹) | Amount Unspent (in ₹) | | | | |
|---|---|---|---|---|---|
| | Total Amount transferred to Unspent CSR Account as per sub-section (6) of section 135 | | Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135 | | |
| | Amount | Date of transfer | Name of the Fund | Amount | Date of transfer |
| **22.23** | **NIL** | | | | |

(f) Excess amount for set-off, if any:

| Sl. No. | Particular | Amount (in Rs.) |
|---|---|---|
| (i) | Two percent of average net profit of the company as per sub-section (5) of section 135 | 22.22 Lacs |
| (ii) | Total amount spent for the Financial Year | 22.23 Lacs |
| (iii) | Excess amount spent for the Financial Year [(ii)-(i)] | 0.01 Lacs |
| (iv) | Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any | 0 |
| (v) | Amount available for set off in succeeding Financial Years [(iii)-(iv)] | 0.01 Lacs* |

*Not being considered for set off.

7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:

| (1) | (2) | (3) | (4) | | (5) | | (6) | (7) |
|---|---|---|---|---|---|---|---|---|
| Sl. No. | Preceding Financial Year(s) | Amount transferred to Unspent CSR Account under sub-section (6) of Section 135 (in Rs.) | Balance Amount in Unspent CSR Account under sub-section (6) of Section 135 (in Rs.) | Amount Spent in the Financial Year (in Rs) | Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of Section 135, if any | | Amount remaining to be spent in succeeding Financial Years (in Rs) | Deficiency, if any |
| | | | | | Amount (in Rs) | Date of Transfer | | |
| 1 | FY-1 | NIL | | | | | | |
| 2 | FY-2 | | | | | | | |
| 3 | FY-3 | | | | | | | |

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

**No**

If Yes, enter the number of Capital assets created/ acquired

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

| (1) | (2) | (3) | (4) | (5) | (6) | | |
|---|---|---|---|---|---|---|---|
| Sl. No. | Short particulars of the property or asset(s) [including complete address and location of the property] | Pincode of the property or asset(s) | Date of creation | Amount of CSR amount spent | Details of entity/ Authority/ beneficiary of the registered owner | | |
| | | | | | CSR Registration Number, if applicable | Name | Registered address |
| NA | | | | | | | |

(All the fields should be captured as appearing in the revenue record, flat no, house no, Municipal Office/Municipal Corporation/ Gram panchayat are to be specified and also the area of the immovable property as well as boundaries)

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per sub-section (5) of section 135.
**Not Applicable**

**Dinesh Shastri**
Chairman
CSR & Sustainability Committee

**Nandan Nandi**
Director

Kolkata
23rd April, 2024





TMILL Group

# Annexure C

## Form AOC - 1(As on 31st March 2024)

**Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures**
[Pursuant to first proviso to Section 129(3) of the Companies Act, 2013 read with Rule 5 of Companies (Accounts) Rules, 2014]

### Part "A": Subsidiaries

Amount (In Rs millions)

| Sl. No. | Particulars | | |
|---|---|---|---|
| 1. | Name of the subsidiary | **TKM Global GmbH, Germany** | **TKM Global China Limited** |
| 2. | Reporting Period for the subsidiary concerned, if different from the holding company's reporting period | **N.A.** | **N.A.** |
| 3. | Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries. | **1 EUR = INR 90.2178*** | **1 RMB = INR 11.5279 *** |
| 4. | Share capital | **90.22** | **78.79** |
| 5. | Reserves & surplus | **692.23** | **-11.45** |
| 6. | Total Assets | **1384.23** | **83.97** |
| 7. | Total Liabilities | **1384.23** | **83.97** |
| 8. | Investments | **-** | **-** |
| 9. | Turnover | **1137.07** | **211.26** |
| 10. | (Loss)/Profit before taxation | **156.81** | **-3.61** |
| 11. | Provision for taxation | **45.63** | **0.14** |
| 12. | Profit after taxation | **111.18** | **3.47** |
| 13. | Proposed Dividend | **-** | **-** |
| 14. | % of shareholding | **100% Shareholding of TKM Global Logistics Limited** | **100% Shareholding of TKM Global Logistics Limited** |

*Closing exchange rate as on March'31, 2024 has been considered for calculation.

### Part "B": Associates and Joint Ventures

The Company does not have any joint ventures or associates as on 31st March, 2024. Hence, there is nothing to report in this regard.

TKM GLOBAL LOGISTICS LIMITED

# INDEPENDENT AUDITOR'S REPORT

*To the Members of TKM Global Logistics Limited*

## Report on the Audit of the Financial Statements

### Opinion

1. We have audited the accompanying financial statements of TKM Global Logistics Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the Financial Statements, including material accounting policy information and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, total comprehensive income (comprising of profit and other comprehensive income), changes in equity and its cash flows for the year then ended.

### Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the 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 financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Other Information

4. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report, but does not include the financial statements and our auditor's report thereon.

   Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed , we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

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

7. Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

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

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

9. 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.

10. 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

11. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

12. 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, except that the backup of certain books of account and other books and papers maintained in electronic mode has not been maintained on a daily basis on servers physically located in India and for the matters stated in paragraph 12(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended) ("the Rules").

(c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act.

(e) On the basis of the written representations received from the directors, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024, from being appointed as a director in terms of Section 164(2) of the Act.

(f) With respect to the maintenance of accounts and other matters connected therewith, reference is made to our remarks in paragraph 12(b) above on reporting under Section 143(3)(b) and paragraph 12(h)(vi) below on reporting under Rule 11(g) of the Rules.

(g) 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 A".

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

i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 41 to the financial statements.

ii. The Company was not required to recognise a provision as at March 31, 2024 under the applicable law or accounting standards, as it does not have any material foreseeable losses on long-term contract. The Company did not have any derivative contracts as at March 31, 2024.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2024.

iv. (a) The management has represented that, to the best of its knowledge and belief, as disclosed in Note 51(a) to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediaries shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 51(b) to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

v. The dividend declared and paid during the year by the Company is in compliance with Section 123 of the Act.

vi. Based on our examination, which included test checks, the Company has used accounting software's for maintaining its books of account which have a feature of recording audit trail (edit log) facility and that has operated throughout the year for all relevant transactions recorded in the software, except that (i) at application level, in case of one accounting software, the audit trail is not maintained in case of modification by certain users with specific access; and (ii) at database level, in case of an accounting software audit trail feature did not operate throughout the year to log any direct data changes and the audit trail of modification does not capture the pre-modified values, whereas for another accounting software in the absence of appropriate evidence, we are unable to comment on the audit trail feature. Further, during the course of our audit except for the aforesaid instances where we are not able to comment upon, we did not notice any instance of audit trail feature being tampered with.

13. The provisions of Section 197 read with Schedule V to the Act are applicable to the Company. However, the Company has not paid/provided for managerial remuneration during the year.

**For Price Waterhouse & Co Chartered Accountants LLP**
**Firm Registration Number: 304026E/E300009**

**Dhiraj Kumar**
Partner
Membership Number 060466
UDIN: 24060466BKFNIN5245

Place: Kolkata
Date: April 23, 2024





TKM GLOBAL LOGISTICS LIMITED

# ANNEXURE A TO INDEPENDENT AUDITOR'S REPORT

*Referred to in paragraph 12(g) of the Independent Auditor's Report of even date to the members of TKM Global Logistics Limited on the financial statements for the year ended March 31, 2024*

## Report on the Internal Financial Controls with reference to Financial Statements under clause (i) of sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls with reference to financial statements of TKM Global Logistics Limited ("the Company") as of March 31, 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

## Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, 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 Act.

## Auditor's Responsibility

3. 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 deemed to be prescribed under Section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. 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 was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system 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 internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

## Meaning of Internal Financial Controls with reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

7. 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.

## Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI.

**For Price Waterhouse & Co Chartered Accountants LLP**
**Firm Registration Number: 304026E/E300009**

**Dhiraj Kumar**
**Partner**
Membership Number: 060466
UDIN: 24060466BKFNIN5245

Place: Kolkata
Date: April 23, 2024





TKM GLOBAL LOGISTICS LIMITED

# ANNEXURE B TO INDEPENDENT AUDITOR'S REPORT

*Referred to in paragraph 11 of the Independent Auditor's Report of even date to the members of TKM Global Logistics Limited on the financial statements as of and for the year ended March 31, 2024*

In terms of the information and explanations sought by us and furnished by the Company, and the books of account and records examined by us during the course of our audit, and to the best of our knowledge and belief, we report that:

i. (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of Property, Plant and Equipment.

(B) The Company is maintaining proper records showing full particulars of Intangible Assets.

(b) The Property, Plant and Equipment of the Company have been physically verified by the Management during the year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.

(c) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), as disclosed in Note 4 to the financial statements, are held in the name of the Company.

(d) The Company has chosen cost model for its Property, Plant and Equipment (including Right of Use assets) and intangible assets. Consequently, the question of our commenting on whether the revaluation is based on the valuation by a Registered Valuer, or specifying the amount of change, if the change is 10% or more in the aggregate of the net carrying value of each class of Property, Plant and Equipment (including Right of Use assets) or intangible assets does not arise.

(e) Based on the information and explanations furnished to us, no proceedings have been initiated on (or) are pending against the Company for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) [formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)] and Rules made thereunder, and therefore the question of our commenting on whether the Company has appropriately disclosed the details in the financial statements does not arise.

ii. (a) The Company is in the business of rendering services and, consequently, does not hold any inventory. Accordingly, reporting under clause 3(ii)(a) of the Order is not applicable to the Company.

(b) During the year, the Company has not been sanctioned working capital limits in excess of Rs. 5 Crores, in aggregate from banks and financial institutions on the basis of security of current assets and accordingly, the question of our commenting on whether the quarterly returns or statements are in agreement with the unaudited books of account of the Company does not arise.

iii. (a) The Company has not made investments in companies, firms and Limited Liability Partnerships during the year. The Company has not granted secured/unsecured loans/advances in nature of loans, to any company/firm/Limited Liability Partnership/other party, during the year, other than loans to nine employees. The Company did not stand guarantee or provided security to any company/firm/Limited Liability Partnership/other party during the year. The aggregate amount during the year, and balance outstanding at the balance sheet date with respect to such loans are as per the table given below:

| Particulars | Loans (Rs. in Lakhs) |
|---|---|
| Aggregate amount granted during the year | |
| - Others | 8.34 |
| Balance outstanding as at Balance Sheet date in respect of the above cases | |
| - Others | 4.63 |

Also, refer Note 14 to the financial statements.

(b) In respect of the aforesaid loans, the terms and conditions under which such loans were granted are not prejudicial to the Company's interest.

(c) In respect of loans to employees, the schedule of repayment of principal and payment of interest has been stipulated, and the parties are repaying the principal amounts, as stipulated, and are also regular in payment of interest as applicable.

(d) In respect of loans to employees, there is no amount which is overdue for more than ninety days.

(e) There were no loans which have fallen due during the year and were renewed/extended. Further, no fresh loans were granted to same parties to settle the existing overdue loans.

(f) The loans granted during the year had stipulated the scheduled repayment of principal and payment of interest and the same were not repayable on demand. No amount of loans were granted during the year to promoters/related parties.

iv. In our opinion, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of the loans and investments made, and guarantees and security provided by it, as applicable.

v. The Company has not accepted any deposits or amounts which are deemed to be deposits referred in Sections 73, 74, 75 and 76 of the Act and the Rules framed there under.

vi. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products and services of the Company. Accordingly, reporting under clause 3(vi) of the Order is not applicable to the Company.

vii. (a) In our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of income tax, professional tax and provident fund, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, employees state insurance, sales tax, service tax, duty of customs, duty of excise, value added tax, cess, goods and services tax and other material statutory dues, as applicable, with the appropriate authorities, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, sales tax, income tax, service tax, duty of customs, value added tax, goods and services tax and other material statutory dues, as applicable, with the appropriate authorities.

(b) The particulars of other statutory dues referred to in sub-clause (a) as at March 31, 2024 which have not been deposited on account of a dispute, are as follows:

| Name of the statute | Nature of dues | Amount (net of payments) (Rs. in Lakhs) | Amount paid (Rs. in Lakhs) | Period to which the amount relates | Forum where the dispute is pending |
|---|---|---|---|---|---|
| Income Tax Act 1961 | Income Tax | 120.61 | 21.40 | FY 2010-11 | Commissioner of Income Tax (Appeals) |
| Goods & Service Tax Act 2017 | Goods and Services Tax | 3.70 | 0.14 | FY 2017-18 and FY 2018-19 | Appellate Authority |

viii. There are no transactions previously unrecorded in the books of account that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

ix. (a) As the Company did not have any loans or other borrowings from any lender during the year, the reporting under clause 3(ix)(a) of the Order is not applicable to the Company.

(b) On the basis of our audit procedures, we report that the Company has not been declared Wilful Defaulter by any bank or financial institution or government or any government authority.

(c) The Company has not obtained any term loans. Accordingly, reporting under clause 3(ix)(c) of the Order is not applicable to the Company.

(d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, the Company has not raised funds on short-term basis. Accordingly, reporting under clause 3(ix)(d) of the Order is not applicable to the Company.

(e) On an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures, as applicable.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies, as applicable.

x. (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under clause 3(x)(a) of the Order is not applicable to the Company.

(b) The Company has not made any preferential allotment or private placement of shares or fully or partially or optionally convertible debentures during the year. Accordingly, the reporting under clause 3(x)(b) of the Order is not applicable to the Company.

xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

(b) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable to the Company.

(c) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and as represented to us by the management, no whistle-blower complaints have been received during the year by the Company. Accordingly, the reporting under clause 3(xi)(c) of the Order is not applicable to the Company.

xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the reporting under clause 3(xii) of the Order is not applicable to the Company.

xiii. The Company has entered into transactions with related parties in compliance with the provisions of Section 188 of the Act. The details of related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard 24 "Related Party Disclosures" specified under Section 133 of the Act. Further, the Company has constituted an Audit Committee voluntarily, though the provisions of Section 177 of the Act do not apply to the Company and accordingly, to this extent, the reporting under clause 3(xiii) of the Order is not applicable to the Company.

xiv. (a) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) The reports of the Internal Auditor for the period under audit have been considered by us.

xv. In our opinion, the Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the reporting on compliance with the provisions of Section 192 of the Act under clause 3(xv) of the Order is not applicable to the Company.

xvi. (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under clause 3(xvi)(a) of the Order is not applicable to the Company.

(b) The Company has not conducted non-banking financial/ housing finance activities during the year. Accordingly, the reporting under clause 3(xvi)(b) of the Order is not applicable to the Company.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.

(d) Based on the information and explanations provided by the management of the Company, the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CICs, which are part of the Group. We have not, however, separately evaluated whether the information provided by the management is accurate and complete. Accordingly, the reporting under clause 3(xvi)(d) of the Order is not applicable to the Company.

xvii. The Company has not incurred any cash losses in the financial year or in the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors during the year and accordingly the reporting under clause 3(xviii) of the Order is not applicable.

xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date will get discharged by the Company as and when they fall due.

xx. As at Balance Sheet date, the Company does not have any amount remaining unspent under Section 135(5) of the Act. Accordingly, reporting under clause 3(xx) of the Order is not applicable.

xxi. The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements. Accordingly, no comment in respect of the said clause has been included in this report.

**For Price Waterhouse & Co Chartered Accountants LLP**
**Firm Registration Number: 304026E/E300009**

**Dhiraj Kumar**
Partner
Membership Number: 060466
UDIN: 24060466BKFNIN5245

Place: Kolkata
Date: April 23, 2024

TKM Global Logistics Limited

# Balance Sheet as at March 31, 2024

₹ in Lakhs

| | Note | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| **I ASSETS** | | | |
| **(1) Non-current Assets** | | | |
| (a) Property, Plant and Equipment | 4 | 555.20 | 565.03 |
| (b) Intangible Assets | 5 | 1.12 | 1.96 |
| (c) Right of Use Assets | 6 | 2,755.04 | 1,168.82 |
| (d) Financial Assets | | | |
| (i) Investments | 7 | 549.42 | 549.42 |
| (ii) Other Financial Assets | 8 | 223.75 | 159.84 |
| (e) Non-current Tax Assets (net) | 9 | 393.06 | 317.97 |
| (f) Deferred Tax Assets (net) | 34 | 2.63 | - |
| (g) Other Non-current Assets | 10 | 21.16 | - |
| **Total Non-current Assets** | | **4,501.38** | **2,763.04** |
| **(2) Current Assets** | | | |
| (a) Financial Assets | | | |
| (i) Trade Receivables | 11 | 1,260.91 | 1,266.08 |
| (ii) Cash and Cash Equivalents | 12 | 2,405.24 | 1,231.04 |
| (iii) Other Bank Balances | 13 | 120.59 | 19.72 |
| (iv) Loans | 14 | 5.05 | 5.77 |
| (v) Other Financial Assets | 15 | 10.73 | 18.67 |
| (b) Other Current Assets | 16 | 147.96 | 70.32 |
| **Total Current Assets** | | **3,950.48** | **2,611.60** |
| **Total Assets** | | **8,451.86** | **5,374.64** |
| **II EQUITY AND LIABILITIES** | | | |
| **EQUITY** | | | |
| (a) Equity Share Capital | 17 | 360.00 | 360.00 |
| (b) Other Equity | 18 | 3,812.51 | 2,879.17 |
| **Total Equity** | | **4,172.51** | **3,239.17** |
| **LIABILITIES** | | | |
| **(1) Non-current Liabilities** | | | |
| (a) Financial Liabilities | | | |
| (i) Lease Liabilities | 19 | 1,977.14 | 845.13 |
| (ii) Other Financial Liabilities | 20 | 7.36 | 9.66 |
| (b) Provisions | 21 | 112.24 | 102.42 |
| (c) Deferred Tax Liabilities (net) | 34 | - | 22.80 |
| **Total Non-current Liabilities** | | **2,096.74** | **980.01** |
| **(2) Current Liabilities** | | | |
| (a) Financial Liabilities | | | |
| (i) Lease Liabilities | 22 | 913.15 | 370.00 |
| (ii) Trade Payables | 23 | | |
| (a) Total Outstanding dues to Micro Enterprises and Small Enterprises | | 10.65 | 0.66 |
| (b) Total Outstanding Dues of Creditors other than Micro Enterprises and Small Enterprises | | 799.41 | 536.32 |
| (iii) Other Financial Liabilities | 24 | 290.83 | 176.95 |
| (b) Provisions | 25 | 46.24 | 36.42 |
| (c) Other Current Liabilities | 26 | 122.33 | 35.11 |
| **Total Current Liabilities** | | **2,182.61** | **1,155.46** |
| **Total Liabilities** | | **4,279.35** | **2,135.47** |
| **Total Equity and Liabilities** | | **8,451.86** | **5,374.64** |

*The above Balance Sheet should be read in conjunction with the accompanying Notes.*
*This is the Balance Sheet referred to in our report of even date.*

**For Price Waterhouse & Co Chartered Accountants LLP**
**Firm Registration No. 304026E / E300009**

**For and on behalf of the Board of Directors**

**Dhiraj Kumar**
**Partner**
Membership Number: 060466

**Dinesh Shastri**
**Director**
DIN: 02069346

Place: Kolkata
Date: April 23, 2024

Place: Kolkata
Date: April 23, 2024

**Nandan Nandi**
**Director**
DIN: 09364725





TKM Global Logistics Limited

# Statement of Profit and Loss for the Year ended March 31, 2024

₹ in Lakhs

| | | Note | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|---|---|
| I | Revenue from Operations | 27 | 4,814.11 | 5,073.30 |
| II | Other Income | 28 | 11,262.12 | 2,534.66 |
| **III** | **Total Income (I + II)** | | **16,076.23** | **7,607.96** |
| **IV** | **Expenses** | | | |
| | (a) Operational Expenses | 29 | 3,375.48 | 3,750.70 |
| | (b) Employee Benefits Expense | 30 | 653.18 | 665.97 |
| | (c) Finance Costs | 31 | 130.58 | 72.26 |
| | (d) Depreciation and Amortization Expense | 4, 5 & 6 | 459.48 | 259.30 |
| | (e) Other Expenses | 32 | 198.17 | 125.47 |
| | **Total Expenses** | | **4,816.89** | **4,873.70** |
| **V** | **Profit Before Tax (III-IV)** | | **11,259.34** | **2,734.26** |
| **VI** | **Income Tax Expense** | | **322.22** | 99.24 |
| | (a) Current Tax | 33 | 347.65 | 108.06 |
| | (b) Deferred Tax | 34 | (25.43) | (8.82) |
| **VII** | **Profit for the Year (V-VI)** | | **10,937.12** | **2,635.02** |
| **VIII** | **Other Comprehensive Income** | | | |
| | Items that will not be Reclassified to Profit or Loss | | | |
| | (a) Remeasurements of the Post Employment Defined Benefit Obligations | | **(5.07)** | 11.68 |
| | (b) Income tax on above | 33 | **1.29** | (2.94) |
| **IX** | **Total Comprehensive Income for the Year (VII+VIII)** | | **10,933.34** | **2,643.76** |
| **X** | **Earnings per Equity Share** | 35 | | |
| | (a) Basic | | 303.81 | 73.20 |
| | (b) Diluted | | 303.81 | 73.20 |

*The above Statement of Profit and Loss should be read in conjunction with the accompanying Notes.*
*This is the Statement of Profit and Loss referred to in our report of even date.*

**For Price Waterhouse & Co Chartered Accountants LLP**
**Firm Registration No. 304026E / E300009**

**For and on behalf of the Board of Directors**

**Dhiraj Kumar**
**Partner**
Membership Number: 060466

**Dinesh Shastri**
**Director**
DIN: 02069346

Place: Kolkata
Date: April 23, 2024

Place: Kolkata
Date: April 23, 2024

**Nandan Nandi**
**Director**
DIN: 09364725

TKM Global Logistics Limited

## Statement of Changes in Equity for the Year ended March 31, 2024

₹ in Lakhs

| A Equity Share Capital (Refer Note 17) | As at 31st March 2024 | As at 31st March 2023 |
|---|---|---|
| **Balance at the beginning of the Year** | **360.00** | 360.00 |
| **Balance at the end of the Year** | **360.00** | 360.00 |

₹ in Lakhs

| B Other Equity (Refer Note 18) | As at March 31, 2024 | | |
|---|---|---|---|
| | General Reserves | Retained Earnings | Total |
| **Balance as at April 1, 2023** | **5.64** | **2,873.53** | **2,879.17** |
| Profit for the Year | - | 10,937.12 | **10,937.12** |
| Other Comprehensive Income for the Year | - | (3.78) | **(3.78)** |
| Dividend Paid during the Year | - | (10,000.00) | **(10,000.00)** |
| **Balance as at March 31, 2024** | **5.64** | **3,806.87** | **3,812.51** |

₹ in Lakhs

| Other Equity (Refer Note 18) | As at March 31, 2023 | | |
|---|---|---|---|
| | General Reserves | Retained Earnings | Total |
| **Balance as at April 1, 2022** | **5.64** | **2,729.77** | **2,735.41** |
| Profit for the Year | - | 2,635.02 | **2,635.02** |
| Other Comprehensive Income for the Year | - | 8.74 | **8.74** |
| Dividend Paid during the Year | - | (2,500.00) | **(2,500.00)** |
| **Balance as at March 31, 2023** | **5.64** | **2,873.53** | **2,879.17** |

The above Statement of Changes in Equity should be read in conjunction with the accompanying Notes.
This is the Statement of Changes in Equity referred to in our report of even date.

**For Price Waterhouse & Co Chartered Accountants LLP**
**Firm Registration No. 304026E / E300009**

**For and on behalf of the Board of Directors**

**Dhiraj Kumar**
**Partner**
Membership Number: 060466

**Dinesh Shastri**
**Director**
DIN: 02069346

Place: Kolkata
Date: April 23, 2024

Place: Kolkata
Date: April 23, 2024

**Nandan Nandi**
**Director**
DIN: 09364725





TKM Global Logistics Limited

## Statement of Cash Flows for the Year ended March 31, 2024

₹ in Lakhs

| | Note | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|---|
| **A. CASH FLOW FROM OPERATING ACTIVITIES** | | | |
| Profit Before Tax | | **11,259.34** | 2,734.26 |
| Adjustments for: | | | |
| Depreciation / Amortisation Expenses | | **459.48** | 259.30 |
| Loss on Modification of Lease Arrangement | | **14.37** | - |
| Interest and finance charges on lease liabilities and financial liabilities not at fair value through profit or loss | 31 | **127.46** | 72.26 |
| Interest Income | 28 | **(80.49)** | (38.49) |
| Dividend Income from Subsidiary | 28 | **(11,105.14)** | (2,381.99) |
| **Operating Profit before Changes in Operating Assets and Liabilities** | | **675.02** | 645.34 |
| Changes in Operating Assets and Liabilities | | | |
| (Increase) / Decrease in Trade Receivables | | **5.17** | (96.06) |
| (Increase) / Decrease in Loans | | **(53.47)** | (125.05) |
| (Increase) / Decrease in Other Assets | | **(98.80)** | 30.99 |
| Increase / (Decrease) in Trade Payables | | **273.02** | (61.13) |
| Increase / (Decrease) in Financial Liabilities | | **111.58** | 147.78 |
| Increase / (Decrease) in Other Liabilities | | **87.21** | 6.72 |
| Increase / (Decrease) in Provisions | | **14.58** | (4.92) |
| **Cash Generated from Operations** | | **1,014.31** | 543.67 |
| Direct Taxes Paid (Net of Refund) | | **(421.45)** | 272.24 |
| **Net Cash from/(used in) Operating Activities** | | **592.86** | 815.91 |
| **B. CASH FLOW FROM INVESTING ACTIVITIES** | | | |
| Payment for Acquisition/Construction of Property, Plant & Equipment | | **(11.63)** | (26.49) |
| Proceeds from Disposal of Property, Plant & Equipment | | **-** | 0.12 |
| Proceeds from Maturity of Deposits with Banks | | **16,649.60** | - |
| Payments for Placing of Deposits with Banks | | **(16,750.47)** | 149.25 |
| Dividend Received from Subsidiary | | **11,105.14** | 2,381.99 |
| Interest Received | | **78.30** | 35.62 |
| **Net Cash from/(used in) Investing Activities** | | **11,070.94** | 2,540.49 |
| **C. CASH FLOW FROM FINANCING ACTIVITIES** | | | |
| Principal Element of Lease Payments | | **(362.63)** | (203.32) |
| Interest Element of Lease Payments | | **(126.97)** | (72.26) |
| Dividend Paid | | **(10,000.00)** | (2,500.00) |
| **Net Cash from/(used in) Financing Activities** | | **(10,489.60)** | (2,775.58) |
| **Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)** | | **1,174.20** | 580.82 |
| **Cash and Cash Equivalents at the Beginning of the Year** | 12 | **1,231.04** | 650.22 |
| **Cash and Cash Equivalents at the End of the Year** | 12 | **2,405.24** | 1,231.04 |

*Note:*
*The above Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in Ind AS-7 'Statement of Cash Flows'.*
*The accompanying Notes form an integral part of the Statement of Cash Flows.*
*This is the Statement of Cash Flows referred to in our report of even date.*

**For Price Waterhouse & Co Chartered Accountants LLP**
**Firm Registration No. 304026E / E300009**

**For and on behalf of the Board of Directors**

**Dhiraj Kumar**
**Partner**
Membership Number: 060466

**Dinesh Shastri**
**Director**
DIN: 02069346

Place: Kolkata
Date: April 23, 2024

Place: Kolkata
Date: April 23, 2024

**Nandan Nandi**
**Director**
DIN: 09364725

TKM Global Logistics Limited

## Notes forming part of the Financial Statements for the Year ended March 31, 2024

### 1. Company Background

TKM Global Logistics Limited ('TKM' or 'the Company') is an unlisted public limited Company incorporated in India with its registered office in Kolkata, West Bengal, India. TKM is a wholly owned subsidiary of TM International Logistics Limited (TMILL), which is a joint venture between TATA Steel Limited (51%), IQ Martrade of Germany (23%) and Nippon Yusen Kaisha - NYK (26%). TKM is a logistics and supply chain service provider and mainly in the business of freight forwarding, material handling and warehousing.

The Financial Statements were approved and authorised for issue with the resolution of the Company's Board of Directors on April 23, 2024.

### 2. Summary of Material Accounting Policy Information

This Note provides a list of the material accounting policies adopted in the preparation of these Financial Statements. These policies have been consistently applied to all the period presented, unless otherwise stated. These Financial Statements are the separate financial statements of the Company.

**2.1 Basis for preparation**

**(i) Compliance with Ind AS**

The Financial Statements comply in all material aspects with Indian Accounting Standards ("Ind AS") notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

**(ii) Historical Cost Convention**

The Financial Statements have been prepared on a historical cost basis, except for the following:

i) certain financial assets and liabilities which are measured at fair value;

ii) defined benefit plans - plan assets measured at fair value.

**(iii) Current versus Non-current Classification**

The Company presents assets and liabilities in the Balance Sheet based on current / non-current classification.

An asset is treated as current when it is:

- expected to be realised or intended to be sold or consumed in normal operating cycle,
- held primarily for the purpose of trading,
- expected to be realised within twelve months after the reporting period, or
- cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

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

All other liabilities are classified as non-current.

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

**2.2. Property, Plant and Equipment**

An item of property, plant and equipment is recognised as an asset if it is probable that future economic benefits associated with the item will flow to the Company and its cost can be measured reliably. This recognition principle is applied to the costs incurred initially to acquire an item of property, plant and equipment and also to costs incurred subsequently to add to, replace part of, or service it. All other repair and maintenance costs, including regular servicing, are recognised in the Statement of Profit and Loss as incurred. When a replacement occurs, the carrying amount of the replaced part is derecognized.

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment losses. Cost includes all direct costs and expenditures incurred to bring the asset to its working condition and location for its intended use.

Gain or loss arising on disposal of an asset is determined as the difference between the sale proceeds and the carrying amount of the asset, and is recognised in the Statement of Profit and Loss.

**Depreciation Method and Estimated Useful Lives**

Depreciation on property, plant and equipment is calculated on a pro-rata basis using the straight-line method to allocate their cost, over their estimated useful lives in accordance with Schedule II to the Act, except in respect of Vehicles and certain Plant and Equipments, after taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, etc.

The estimated useful lives for the main categories of property, plant and equipment are:

| Type of Asset | Estimated Useful life |
|---|---|
| Non-Factory Building | 60 years |
| Plant and Equipment | 7 -15 years |
| Vehicles-Four Wheelers | 5 years |
| Vehicles-Two Wheelers | 5 years |
| Office Equipment | 5 years |
| Computers (included in Office Equipment) | 3 years |
| Furniture and Fixtures | 10 years |

The useful lives, residual values and the method of depreciation of property, plant and equipment are reviewed, and adjusted if appropriate, at the end of each reporting period. Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in Statement of Profit and Loss within 'Other Income'/'Other Expenses'. Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as 'Capital Advances'.

**2.3. Impairment of Non-financial Assets**

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units).

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash generating unit) in prior periods. A reversal of an impairment loss is recognized in the Statement of Profit and Loss immediately.

**2.4. Leases**

**As a Lessee**

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company. Contracts may contain both lease and non-lease components. The Company allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Company is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the Company under residual value guarantees
- the exercise price of a purchase option if the Company is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Company exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Company:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Company, which does not have recent third party financing, and
- makes adjustments specific to the lease, e.g. term, country, currency and security.

The Company is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Variable lease payments that depend on sales are recognised in profit or loss in the period in which the condition that triggers those payments occurs.

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## Notes forming part of the Financial Statements for the Year ended March 31, 2024

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of equipment and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

**As a Lessor**

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income. The respective leased assets are included in the balance sheet based on their nature.

**2.5. Financial Instruments**

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the Statement of Profit and Loss.

**A. Investment in Subsidiaries**

Investments in subsidiaries are stated at cost less provision for impairment loss, if any. Investments are tested for impairment wherever event or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of investments exceeds its recoverable amount.

**B. Investments (Other than Investments in Subsidiaries) and Other Financial Assets**

**(i) Classification**

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of cash flows.

For assets measured at fair value, gains and losses is either recorded in the statement of profit and loss or other comprehensive income. For investments in debt instruments, this depends on the business model in which the investment is held. For investments in equity instruments, this depends on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

**(ii) Measurement**

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset.

Transaction costs of financial assets carried at fair value through profit or loss are recognised as expense in the Statement of Profit and Loss.

**(iii) Impairment of Financial Assets**

The Company assesses on a forward looking basis the expected credit losses associated with its assets which are not fair valued through profit or loss. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109, 'Financial Instruments', which requires expected lifetime losses to be recognised from initial recognition of the receivables.

**(iv) Derecognition of Financial Assets**

A financial asset is derecognised only when the Company has transferred the rights to receive cash flows from the financial asset or retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

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Notes forming part of the Financial Statements for the Year ended March 31, 2024

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognized if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

**(v) Fair Value of Financial Instruments**

In determining the fair value of financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis and available quoted market prices. All methods of assessing fair value result in general approximation of value, and such value may never actually be realised.

**(vi) Offsetting Financial Instruments**

Financial assets and liabilities are offset and the net amount is reported in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

**2.6. Trade Receivables**

Trade receivables are amounts due from customers for services rendered in the ordinary course of business. Trade receivables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

**2.7. Cash and Cash Equivalents**

For the purpose of presentation in the Cash Flow Statement, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**2.8. Trade Payables**

Trade Payables represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method, where the time value of money is significant.

**2.9. Employee Benefits**

**A. Short-term Employee Benefits**

Liabilities for short-term employee benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented under 'Trade Payables-Current' in the Balance Sheet.

**B. Post-Employment Benefits**

**i) Defined Benefit Plans**

The liability or asset recognised in the Balance Sheet in respect of defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated at year-end by actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in 'Employee Benefits Expense' in the Statement of Profit and Loss. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in Other Comprehensive Income. These are included in 'Retained Earnings' in the Statement of Changes in Equity.

**ii) Defined Contribution Plans**

Contributions under Defined Contribution Plans payable in keeping with the related schemes are recognised as expenses for the period in which the employee has rendered the service.

**C. Other Long –term Employee Benefits**

The liabilities for leave compensated absences are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They

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## Notes forming part of the Financial Statements for the Year ended March 31, 2024

are therefore measured at year-end by actuaries as the present value of expected future benefits in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in the Statement of Profit and Loss.

The obligations are presented under Provisions for Employee Benefits within 'Provisions' in the Balance Sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

**2.10. Income Tax**

The income tax expense for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences, unused tax credits and to unused tax losses.

The current tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill.

Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction impacts neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences, tax credits and losses.

Deferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax are recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity, if any. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

**2.11. Provisions and Contingencies**

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

A disclosure for contingent liabilities is made when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources embodying economic benefits will be required to settle or a reliable estimate of the amount cannot be made.

**2.12. Revenue recognition**

Revenue from contracts with customers are recognised when services promised in the contract are transferred to the customer. The amount of revenue recognised depicts the transfer of promised services to customers for an amount that reflects the consideration to which the Company is entitled to in exchange for the services rendered.



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Notes forming part of the Financial Statements for the Year ended March 31, 2024

**Sale of Services and Other Operating Revenue**

Revenue from sale of services and other operating revenue are recognised when services are transferred to the customer i.e. when the Company satisfies the performance obligation with respect to the services being rendered, risk of loss have been transferred to the customer and either the customer has accepted the services in accordance with the contract or the acceptance provisions have elapsed or the Company has objective evidence that all criteria for acceptance have been satisfied. Revenue from sale of services are recognised based on the price specified in the contract, which is fixed. No element of financing is deemed present as the sales are made against the receipt of advance or with an agreed credit period, which is consistent with the market practices. A receivable is recognised when the services are transferred, as this is the point in time that the consideration is unconditional because only passage of time is required before payment is due.

The Company does not have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

**Dividend income**

Dividend is recognised as other income in the Statement of Profit and Loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

**2.13. Foreign currency transactions and translation**

<u>Functional and Presentation Currency</u>

Items included in the Financial Statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The Financial Statements are presented in Indian Rupee (₹), which is the Company's functional and presentation currency.

<u>Transactions and Balances</u>

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. At the period-end, monetary assets and liabilities denominated in foreign currencies are restated at the year-end exchange rates. Exchange differences arising from settlement of foreign currency transactions and from the period-end restatement are recognised in the Statement of Profit and Loss on a net basis within 'Other Income'/'Other Expenses'.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates prevailing at the date when the fair value was determined. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

**2.14 Earnings per Share**

**Basic Earnings per Share**

Basic earnings per equity share is computed by dividing profit or loss attributable to owners of the Company by the weighted average number of equity shares outstanding during the period.

**Diluted Earnings per Share**

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

**3.1 Use of Estimates and Critical Accounting Judgments**

The preparation of Financial Statements in conformity with Ind AS requires management to make judgments, estimates and assumptions, that impact the application of accounting policies and the reported amounts of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities at the date of these Financial Statements and the reported amounts of revenues and expenses for the periods presented. Actual results may differ from these estimates.

The estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods impacted.

This Note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each impacted line item in the Financial Statements.

The areas involving critical estimates or judgements are:

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## Notes forming part of the Financial Statements for the Year ended March 31, 2024

**A. Employee Benefits (Estimation of Defined Benefit Obligation)**

Post-employment benefits represents obligation that will be settled in the future and require assumptions to project benefit obligations. Post-employment benefit accounting is intended to reflect the recognition of future benefit cost over the employee's approximate service period, based on the terms of plans and the investment and funding decisions made. The accounting requires the company to make assumptions regarding variables such as discount rate, rate of compensation increase and future mortality rates. Changes in these key assumptions can have a significant impact on the defined benefit obligations funding requirements and benefit costs incurred.

**B. Estimation of Expected Useful Lives and Residual Values of Property, Plants and Equipment**

Management reviews its estimate of useful lives of Property, Plant and Equipment at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of Property, Plant and Equipment.

**C. Impairment of Investment in Subsidiaries**

Determining whether the investment in subsidiaries are impaired requires an estimate of the value in use of investments. In considering the value in use, the management anticipates the future operating margins, growth rates, discount rates and other factors of the underlying business / operations of the subsidiaries.

**D. Contingencies**

Legal proceedings covering a range of matters are pending against the Company. Due to the uncertainty inherent in such matters, it is often difficult to predict the final outcomes. The cases and claims against the Company often raise difficult and complex factual and legal issues that are subject to many uncertainties and complexities, including but not limited to the facts and circumstances of each particular case and claim, the jurisdiction and the differences in applicable law, in the normal course of business. The Company consults with legal counsel and certain other experts on matters related to litigations. The Company accrues a liability when it is determined that an adverse outcome is probable and the amount of the loss can be reasonably estimated. In the event an adverse outcome is possible or an estimate is not determinable, the matter is disclosed.

**3.2 New and amended standards adopted by the Company**

The Ministry of Corporate Affairs had, vide notification dated March 31, 2023, notified Companies (Indian Accounting Standards) Amendment Rules, 2023 which amended certain accounting standards with effect from April 01, 2023. These amendments did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

Specifically, no changes necessary as a consequence of amendments made to Ind AS-12 as the Company's accounting policies already complied with the amendments.

**3.3 Rounding of amounts**

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs (Rs. 00,000) as per the requirement of the Schedule III, unless otherwise stated.

*₹ in Lakhs*

| 4. Property, Plant and Equipment | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **Net Carrying Amount of:** | | |
| Buildings | 522.84 | 534.02 |
| Plant and Equipments | 1.54 | 2.07 |
| Furniture and Fixtures | 2.89 | 3.45 |
| Vehicles | 10.80 | 14.59 |
| Office Equipments | 17.13 | 10.90 |
| **Total Property, Plant and Equipment** | **555.20** | **565.03** |

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## Notes forming part of the Financial Statements for the Year ended March 31, 2024

*₹ in Lakhs*

| Property, Plant and Equipment | As at March 31, 2024 | | | | | Total Property, Plant and Equipment |
|---|---|---|---|---|---|---|
| | Building | Plant and Equipments | Furniture and Fixtures | Vehicles | Office Equipments | |
| **Gross carrying amount as at April 1, 2023** | 623.62 | 6.57 | 33.92 | 33.88 | 22.06 | **720.05** |
| Additions | - | - | - | - | 11.63 | **11.63** |
| Disposals | - | - | - | - | (4.15) | **(4.15)** |
| **Gross carrying amount as at March 31, 2024** | **623.62** | **6.57** | **33.92** | **33.88** | **29.54** | **727.53** |
| **Accumulated depreciation as at April 1, 2023** | 89.60 | 4.50 | 30.47 | 19.29 | 11.16 | **155.02** |
| Charge for the Year | 11.18 | 0.53 | 0.56 | 3.79 | 5.40 | **21.46** |
| Disposals | - | - | - | - | (4.15) | **(4.15)** |
| **Accumulated depreciation as at March 31, 2024** | **100.78** | **5.03** | **31.03** | **23.08** | **12.41** | **172.33** |
| **Net carrying amount as at April 1, 2023** | **534.02** | **2.07** | **3.45** | **14.59** | **10.90** | **565.03** |
| **Net carrying amount as at March 31, 2024** | **522.84** | **1.54** | **2.89** | **10.80** | **17.13** | **555.20** |

*₹ in Lakhs*

| Property, Plant and Equipment | As at March 31, 2023 | | | | | Total Property, Plant and Equipment |
|---|---|---|---|---|---|---|
| | Building | Plant and Equipments | Furniture and Fixtures | Vehicles | Office Equipments | |
| **Gross carrying amount as at April 1, 2022** | 623.62 | 6.57 | 33.39 | 19.30 | 11.17 | **694.05** |
| Additions | - | - | 0.53 | 14.58 | 11.39 | **26.50** |
| Disposals | - | - | - | - | (0.50) | **(0.50)** |
| **Gross carrying amount as at March 31, 2023** | **623.62** | **6.57** | **33.92** | **33.88** | **22.06** | **720.05** |
| **Accumulated depreciation as at April 1, 2022** | 78.42 | 3.95 | 29.88 | 14.46 | 8.94 | **135.65** |
| Charge for the Year | 11.18 | 0.55 | 0.59 | 4.83 | 2.60 | **19.75** |
| Disposals | - | - | - | - | (0.38) | **(0.38)** |
| **Accumulated depreciation as at March 31, 2023** | **89.60** | **4.50** | **30.47** | **19.29** | **11.16** | **155.02** |
| **Net carrying amount as at April 1, 2022** | **545.20** | **2.62** | **3.51** | **4.84** | **2.23** | **558.40** |
| **Net carrying amount as at March 31, 2023** | **534.02** | **2.07** | **3.45** | **14.59** | **10.90** | **565.03** |

Note :

(i) Aggregate amount of depreciation expense has been included under "Depreciation and Amortisation Expense" in the Statement of Profit and Loss.

(ii) Title deed of immovable property is held in the name of the Company.

(iii) There are no proceedings against the Company that have been initiated or pending for holding any benami property under the Benami Transactions (Prohibition) Act, 1988. (45 of 1988) and the rules made thereunder.

*₹ in Lakhs*

| 5. Intangible Assets | As at 31st March 2024 | As at 31st March 2023 |
|---|---|---|
| **Net Carrying Amount of:** | | |
| Softwares | 1.12 | 1.96 |
| **Total Intangible Assets** | **1.12** | 1.96 |

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## Notes forming part of the Financial Statements for the Year ended March 31, 2024

*₹ in Lakhs*

| Intangible Assets | As at March 31, 2024 | |
|---|---|---|
| | Softwares | Total Intangible Assets |
| **Gross carrying amount as at April 1, 2023** | 22.32 | **22.32** |
| **Gross carrying amount as at March 31, 2024** | **22.32** | **22.32** |
| **Accumulated amortization as at April 1, 2023** | 20.36 | **20.36** |
| Charge for the Year | 0.84 | **0.84** |
| **Accumulated amortization as at March 31, 2024** | **21.20** | **21.20** |
| **Net carrying amount as at April 1, 2023** | **1.96** | **1.96** |
| **Net carrying amount as at March 31, 2024** | **1.12** | **1.12** |

*₹ in Lakhs*

| Intangible Assets | As at March 31, 2023 | |
|---|---|---|
| | Softwares | Total Intangible Assets |
| **Gross carrying amount as at April 1, 2022** | 22.32 | **22.32** |
| **Gross carrying amount as at March 31, 2023** | **22.32** | **22.32** |
| **Accumulated amortization as at April 1, 2022** | 19.52 | **19.52** |
| Charge for the Year | 0.84 | **0.84** |
| **Accumulated amortization as at March 31, 2023** | **20.36** | **20.36** |
| **Net carrying amount as at April 1, 2022** | **2.80** | **2.80** |
| **Net carrying amount as at March 31, 2023** | **1.96** | **1.96** |

Note :
(i) Aggregate amount of amortisation expense has been included under "Depreciation and Amortisation Expense" in the Statement of Profit and Loss.

*₹ in Lakhs*

| 6. Right of Use Assets | As at 31st March 2024 | As at 31st March 2023 |
|---|---|---|
| **Net Carrying Amount of:** | | |
| Buildings | 2,755.04 | 1,168.82 |
| **Total Right of Use Assets** | **2,755.04** | 1,168.82 |

*₹ in Lakhs*

| Right of Use Assets | As at March 31, 2024 | |
|---|---|---|
| | Buildings | Total Right-of-use Assets |
| **Gross carrying amount as at April 1, 2023** | 1,466.01 | **1,466.01** |
| Additions | 2,137.19 | **2,137.19** |
| Adjustment on account of Modification of Lease | (139.80) | **(139.80)** |
| **Gross carrying amount as at March 31, 2024** | **3,463.40** | **3,463.40** |
| **Accumulated depreciation as at April 1, 2023** | 297.19 | **297.19** |
| Charge for the Year | 437.18 | **437.18** |
| Adjustment on account of Modification of Lease | (26.01) | **(26.01)** |
| **Accumulated depreciation as at March 31, 2024** | **708.36** | **708.36** |
| **Net carrying amount as at April 1, 2023** | **1,168.82** | **1,168.82** |
| **Net carrying amount as at March 31, 2024** | **2,755.04** | **2,755.04** |





TKM Global Logistics Limited

## Notes forming part of the Financial Statements for the Year ended March 31, 2024

*₹ in Lakhs*

| Right of Use Assets | As at March 31, 2023 | |
|---|---|---|
| | Buildings | Total Right-of-use Assets |
| **Gross carrying amount as at April 1, 2022** | 351.63 | **351.63** |
| Additions | 1,114.38 | **1,114.38** |
| **Gross carrying amount as at March 31, 2023** | **1,466.01** | **1,466.01** |
| **Accumulated depreciation as at April 1, 2022** | 58.48 | **58.48** |
| Charge for the Year | 238.71 | **238.71** |
| **Accumulated depreciation as at March 31, 2023** | **297.19** | **297.19** |
| **Net carrying amount as at April 1, 2022** | **293.15** | **293.15** |
| **Net carrying amount as at March 31, 2023** | **1,168.82** | **1,168.82** |

Note :
(i) Aggregate amount of depreciation expense has been included under "Depreciation and Amortisation Expense" in the Statement of Profit and Loss.
(ii) Lease Agreements of all the above leases are duly executed in the name of the Company.
(iii) Following are the changes in carrying value of Lease Liabilities:

*₹ in Lakhs*

| | As at 31st March 2024 | As at 31st March 2023 |
|---|---|---|
| **Balance as at the beginning of the Year** | **1,215.13** | **304.07** |
| Additions during the Year | 2,137.19 | 1,114.38 |
| Modification of Lease | (99.42) | - |
| Finance costs | 126.97 | 72.26 |
| Lease payments during the Year | (489.60) | (275.58) |
| **Balance as at the end of the Year** | **2,890.29** | **1,215.13** |
| Current Lease Liabilities | 913.15 | 370.00 |
| Non-current Lease Liabilities | 1,977.14 | 845.13 |

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2024 on an undiscounted basis -

*₹ in Lakhs*

| | As at 31st March 2024 | As at 31st March 2023 |
|---|---|---|
| Less than one year | 913.15 | 370.00 |
| One to five years | 1,977.14 | 845.13 |
| More than five years | - | - |
| **Total** | **2,890.29** | **1,215.13** |

This note provides information for leases both where the Company is a Lessee. The Company leases warehouses and offices. Rental contracts are typically made for fixed periods of 1 year to 5 years, but may have extension options as described below. For Company's policy relating to leases, see Note 2.4.

**Critical judgements in determining the lease term**

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

For leases of Warehouses and Offices, the following factors are normally the most relevant:

- If there are significant penalties to terminate (or not extend), the Company is typically reasonably certain to extend (or not terminate).
- If any leasehold improvements are expected to have a significant remaining value, the Company is typically reasonably certain to

extend (or not terminate).

- Otherwise, the Company considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset.

**Following are the amounts recognised in the Statement of Profit and Loss:** *₹ in Lakhs*

| Particulars | As at 31st March 2024 | As at 31st March 2023 |
|---|---|---|
| Interest expense (included in finance costs) | 130.58 | 72.26 |
| Expense relating to short-term leases (included in other expenses) | 31.87 | 19.61 |
| | **162.45** | **91.87** |

The total cash outflow of leases for the Year ended 31st March 2024 is **₹ 489.60 Lakhs** (31st March 2023: ₹ 275.58 lakhs).

**Company as a Lessor:**

The Company has leased out an office premise on operating lease. Lease payments received during the year ended 31st March, 2024 (recognised as Income from Rental services in Note 28) is **₹ 9.84 Lakhs** (31st March, 2023: ₹ 9.36 Lakhs ).

*₹ in Lakhs*

| 7. Investments : Non-Current | As at 31st March 2024 | As at 31st March 2023 |
|---|---|---|
| **Investments Carried at Cost** | | |
| **Investments in Equity Instruments of Subsidiary Companies (Unquoted)** | | |
| TKM Global GmbH, Germany | **110.64** | 110.64 |
| 100 Shares of Euro 511.29 each, fully paid up | | |
| [March 31, 2023: 100 Shares of Euro 511.29 each, fully paid up] | | |
| TKM Global China Limited, China | **438.78** | 438.78 |
| 1 Share of USD 10,00,000, fully paid up | | |
| [March 31, 2023: 1 Share of USD 10,00,000, fully paid up] | | |
| | **549.42** | **549.42** |
| **Aggregate value of Unquoted Investments** | 549.42 | 549.42 |

*₹ in Lakhs*

| 8. Other Financial Assets : Non-Current | As at 31st March 2024 | As at 31st March 2023 |
|---|---|---|
| **Unsecured, Considered Good** | | |
| Security Deposits | **223.75** | 159.84 |
| | **223.75** | 159.84 |

*₹ in Lakhs*

| 9. Non-current Tax Assets (net) | As at 31st March 2024 | As at 31st March 2023 |
|---|---|---|
| Advance Payment of Taxes* | **393.06** | 317.97 |
| | **393.06** | 317.97 |
| * Net of Provision for Taxes | **905.37** | 559.01 |

*₹ in Lakhs*

| 10. Other Non-current Assets | As at 31st March 2024 | As at 31st March 2023 |
|---|---|---|
| Prepaid Expenses | **21.16** | - |
| | **21.16** | - |





TKM Global Logistics Limited
Notes forming part of the Financial Statements for the Year ended March 31, 2024

*₹ in Lakhs*

| 11. Trade Receivables : Current | As at 31st March 2024 | As at 31st March 2023 |
|---|---|---|
| Trade Receivable - Considered Good - Unsecured # | **1,260.91** | 1,266.08 |
| Trade Receivable - Credit Impaired | **59.80** | 60.50 |
| **Trade Receivable Gross** | **1,320.71** | 1,326.58 |
| Less: Loss Allowance on Trade Receivables | **59.80** | 60.50 |
| | **1,260.91** | 1,266.08 |
| **# Includes Dues from Related Parties (Refer Note 40)** | **1,079.92** | 1,148.30 |

*₹ in Lakhs*

| Particulars | Outstanding for following periods from due date of payment as on March 31, 2024 | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Less than 6 months | 6 months -1 year | 1-2 years | 2-3 years | More than 3 years | Sub-Total | Unbilled Revenue | Receivable not yet due | Total |
| (i) Undisputed Trade Receivables-considered good | 425.39 | 66.14 | 1.73 | - | - | **493.26** | - | 767.65 | **1,260.91** |
| (ii) Undisputed Trade Receivables-significant increase in credit risk | - | - | - | - | - | - | - | - | - |
| (iii) Undisputed Trade Receivables-credit impaired | 1.98 | - | 0.88 | 7.49 | 16.79 | **27.14** | - | - | **27.14** |
| (iv) Disputed Trade Receivables-considered good | - | - | - | - | - | - | - | - | - |
| (v) Disputed Trade Receivables-significant increase in credit risk | - | - | - | - | - | - | - | - | - |
| (vi) Disputed Trade Receivables-credit impaired | - | - | - | - | 32.66 | **32.66** | - | - | **32.66** |
| **Total** | **427.37** | **66.14** | **2.61** | **7.49** | **49.45** | **553.06** | **-** | **767.65** | **1,320.71** |

*₹ in Lakhs*

| Particulars | Outstanding for following periods from due date of payment as on March 31, 2023 | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Less than 6 months | 6 months -1 year | 1-2 years | 2-3 years | More than 3 years | Sub-Total | Unbilled Revenue | Receivable not yet due | Total |
| (i) Undisputed Trade Receivables-considered good | 727.98 | 33.91 | - | - | - | **761.89** | - | 504.19 | **1,266.08** |
| (ii) Undisputed Trade Receivables-significant increase in credit risk | - | - | - | - | - | - | - | - | - |
| (iii) Undisputed Trade Receivables-credit impaired | - | 1.08 | 7.96 | 0.90 | 17.90 | **27.84** | - | - | **27.84** |
| (iv) Disputed Trade Receivables-considered good | - | - | - | - | - | - | - | - | - |
| (v) Disputed Trade Receivables-significant increase in credit risk | - | - | - | - | - | - | - | - | - |
| (vi) Disputed Trade Receivables-credit impaired | - | - | - | - | **32.66** | **32.66** | - | - | **32.66** |
| **Total** | **727.98** | **34.99** | **7.96** | **0.90** | **50.56** | **822.39** | **-** | **504.19** | **1,326.58** |

*₹ in Lakhs*

| 12. Cash and Cash Equivalents | As at 31st March 2024 | As at 31st March 2023 |
|---|---|---|
| Balance with Banks | | |
| In Current Account | **405.24** | 131.04 |
| In Deposit Account (Original Maturity of less than 3 Months) | **2,000.00** | 1,100.00 |
| | **2,405.24** | 1,231.04 |

TKM Global Logistics Limited

## Notes forming part of the Financial Statements for the Year ended March 31, 2024

₹ in Lakhs

| 13. Other Bank Balances | As at 31st March 2024 | As at 31st March 2023 |
|---|---|---|
| Deposits with Banks (Original Maturity of more than 3 Months but less than 12 Months)* | **120.59** | 19.72 |
| | **120.59** | 19.72 |
| * Earmarked amount | **18.58** | 18.58 |

₹ in Lakhs

| 14. Loans : Current | As at 31st March 2024 | As at 31st March 2023 |
|---|---|---|
| **Unsecured, Considered Good** | | |
| Loan to Employees | **5.05** | 5.77 |
| | **5.05** | 5.77 |

During the year, loans have been provided to nine employees amounting to Rs. 8.34 Lakhs out of which outstanding balance as at March 31, 2024 is Rs. 4.63 Lakhs (Current).

₹ in Lakhs

| 15. Other Financial Assets : Current | As at 31st March 2024 | As at 31st March 2023 |
|---|---|---|
| **Unsecured, Considered Good** | | |
| Security Deposits | - | 9.72 |
| Interest Accrued on Deposits with Banks @ | **10.73** | 8.95 |
| | **10.73** | 18.67 |

@ Financial assets carried at Amortised cost

₹ in Lakhs

| 16. Other Current Assets | As at 31st March 2024 | As at 31st March 2023 |
|---|---|---|
| Balance with Government Authorities @ | **79.55** | 35.65 |
| Prepaid Expenses | **19.43** | 14.74 |
| Advance to Supplier/Service Providers | **66.62** | 37.57 |
| | **165.60** | 87.96 |
| Provision for Doubtful Advances # | **(17.64)** | (17.64) |
| | **147.96** | 70.32 |

@ Balances with Government Authorities primarily include input credits of unutilised goods and services tax on reecipt of services, etc. These are regularly utilised to offset the goods and service tax liability on services rendered by the Company. Accordingly, these balances have been classified as current assets.

# There is no movement in Provision for Doubtful Advances during the current year and previous year.

₹ in Lakhs

| 17. Equity Share Capital | As at 31st March 2024 | As at 31st March 2023 |
|---|---|---|
| **(i) Authorised Share Capital** | | |
| 50,00,000 Equity shares of ₹ 10 each | **500.00** | 500.00 |
| [March 31, 2023: 50,00,000 Equity shares of ₹ 10 each] | | |
| **(ii) Issued, Subscribed and Paid-up Share Capital** | | |
| 36,00,000 Equity shares of ₹ 10 each, fully paid up | **360.00** | 360.00 |
| [March 31, 2023: 36,00,000 Equity shares of ₹ 10 each, fully paid-up] | | |
| | **360.00** | 360.00 |





TKM Global Logistics Limited

Notes forming part of the Financial Statements for the Year ended March 31, 2024

**(i) Reconciliation of Shares**

| Equity Shares of ₹ 10 each | As at March 31, 2024 | | As at March 31, 2023 | |
|---|---|---|---|---|
| | No. of shares (₹ in Lakhs) | ₹ in Lakhs | No. of shares (in Lakhs) | ₹ in Lakhs |
| Balance at the beginning of the Year | 36.00 | 360.00 | 36.00 | 360.00 |
| Balance at the end of the Year | **36.00** | **360.00** | 36.00 | 360.00 |

**(ii) Terms and Rights attached to Equity Shares**

The Company has one class of equity shares having a par value of ₹10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

**(iii) Details of Shareholding of promoters and Equity Shares held by Shareholders holding more than 5% of the aggregate shares in the company**

| Equity Shares of ₹ 10 each | As at March 31, 2024 | | As at March 31, 2023 | |
|---|---|---|---|---|
| | No. of shares (₹ in Lakh) | Percentage | No. of shares (in Lakhs) | Percentage |
| TM International Logistics Limited, Holding Company | 36.00 | 100.00 | 36.00 | 100.00 |
| | 36.00 | **100.00** | 36.00 | 100.00 |

**(iv)** There is no change in Promoters shareholding during the current year and previous year.

₹ in Lakhs

| 18. Other Equity | As at 31st March 2024 | As at 31st March 2023 |
|---|---|---|
| **General Reserves** | | |
| Balance at the Beginning of the Year | **5.64** | 5.64 |
| **Balance at the End of the Year** | **5.64** | 5.64 |
| **Retained Earnings** | | |
| Balance at the Beginning of the Year | **2,873.53** | 2,729.77 |
| Profit for the Year | **10,937.12** | 2,635.02 |
| Other Comprehensive Income | | |
| - Remeasurements of post-employment defined benefit obligation (net of tax) | **(3.78)** | 8.74 |
| Dividend paid during the Year | **(10,000.00)** | (2,500.00) |
| **Balance at the End of the Year** | **3,806.87** | 2,873.53 |
| | **3,812.51** | 2,879.17 |

₹ in Lakhs

| 19. Lease Liabilities : Non-Current | As at 31st March 2024 | As at 31st March 2023 |
|---|---|---|
| Lease Liabilities | **1,977.14** | 845.13 |
| | **1,977.14** | 845.13 |
| **Also, refer Note 6 for lease related disclosures.** | | |

₹ in Lakhs

| 20. Other Financial Liabilities : Non-Current | As at 31st March 2024 | As at 31st March 2023 |
|---|---|---|
| Liability for Employee's Family Benefit Scheme | **7.36** | 9.66 |
| | **7.36** | 9.66 |

₹ in Lakhs

| 21. Provisions : Non-Current | As at 31st March 2024 | As at 31st March 2023 |
|---|---|---|
| **Provision for Employee Benefits** | | |
| Provision for Compensated Absences | **112.24** | 102.42 |
| | **112.24** | 102.42 |

TKM Global Logistics Limited

## Notes forming part of the Financial Statements for the Year ended March 31, 2024

₹ in Lakhs

| 22. Lease Liabilities : Current | As at 31st March 2024 | As at 31st March 2023 |
|---|---|---|
| Lease Liabilities | **913.15** | 370.00 |
| | **913.15** | 370.00 |

**Also, refer Note 6 for lease related disclosures.**

₹ in Lakhs

| 23. Trade Payables : Current | As at 31st March 2024 | As at 31st March 2023 |
|---|---|---|
| Creditors for Supplies and Services - Micro Enterprises and Small Enterprises | **10.65** | 0.66 |
| Creditors for Supplies and Services - Others # | **695.38** | 412.73 |
| Creditors for Accrued Wages and Salaries | **104.03** | 123.59 |
| | **810.06** | 536.98 |
| **# Includes Dues to Related Parties (Refer Note 40)** | **27.11** | 63.57 |

₹ in Lakhs

| Trade Payables Ageing | Outstanding for following periods from due date of payment as on March 31, 2024 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Sub-Total | Unbilled Trade Payables | Trade payable - not yet due | Total |
| **Undisputed Trade Payables** | | | | | | | | |
| Micro Enterprises and Small Enterprises | 8.50 | 0.58 | 0.08 | 0.99 | **10.15** | - | 0.50 | **10.65** |
| Others | 199.19 | 8.22 | 2.31 | 6.46 | **216.18** | 327.24 | 255.99 | **799.41** |
| **Disputed Trade Payables** | | | | | | | | |
| Micro Enterprises and Small Enterprises | - | - | - | - | - | - | - | - |
| Others | - | - | - | - | - | - | - | - |
| **Total** | **207.69** | **8.80** | **2.39** | **7.45** | **226.33** | **327.24** | **256.49** | **810.06** |

₹ in Lakhs

| Trade Payables Ageing | Outstanding for following periods from due date of payment as on March 31, 2023 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Sub-Total | Unbilled Trade Payables | Trade payable - not yet due | Total |
| **Undisputed Trade Payables** | | | | | | | | |
| Micro Enterprises and Small Enterprises | 0.66 | - | - | - | **0.66** | - | - | **0.66** |
| Others | 111.99 | 3.63 | 10.09 | - | **125.71** | 285.23 | 125.38 | **536.32** |
| **Disputed Trade Payables** | | | | | | | | |
| Micro Enterprises and Small Enterprises | - | - | - | - | - | - | - | - |
| Others | - | - | - | - | - | - | - | - |
| **Total** | **112.65** | **3.63** | **10.09** | - | **126.37** | **285.23** | **125.38** | **536.98** |

₹ in Lakhs

| 24. Other Financial Liabilities : Current | As at 31st March 2024 | As at 31st March 2023 |
|---|---|---|
| Creditors for capital supplies/services | **2.55** | - |
| Security Deposit Received # | **278.22** | 170.56 |
| Liability for Employee's Family Benefit Scheme | **10.06** | 6.39 |
| | **290.83** | 176.95 |
| **# Includes Dues to Related Parties (Refer Note 40)** | **278.22** | 170.56 |



TKM Global Logistics Limited

## Notes forming part of the Financial Statements for the Year ended March 31, 2024

₹ in Lakhs

| 25. Provisions : Current | As at 31st March 2024 | As at 31st March 2023 |
|---|---|---|
| **Provision for Employee Benefits** | | |
| Provision for Gratuity | **43.92** | 32.11 |
| Provision for Compensated Absences | **2.32** | 4.31 |
| | **46.24** | 36.42 |

₹ in Lakhs

| 26. Other Current Liabilities | As at 31st March 2024 | As at 31st March 2023 |
|---|---|---|
| Contract Liabilities # | **73.98** | 25.07 |
| Dues Payable to Goverment Authorities @ | **48.35** | 10.04 |
| | **122.33** | 35.11 |
| **# Includes Dues to Related Parties (Refer Note 40)** | **0.92** | 2.71 |

@Dues Payable to Government Authorities comprise goods and services tax, withholding taxes, payroll taxes and other taxes payable.

₹ in Lakhs

| 27. Revenue from Operations | For the Year ended March 31, 2024 | For the Year ended March 31, 2023 |
|---|---|---|
| **Revenue from Contracts with Customers** | | |
| **Sale of Services** | | |
| i) Freight, Agency and Other Charges | **2,578.29** | 3,072.29 |
| ii) Warehousing Services | **1,769.31** | 1,566.81 |
| | | |
| **Other Operating Revenues** | | |
| i) Service Charges- Deputation income | **466.51** | 434.20 |
| | **4,814.11** | 5,073.30 |

₹ in Lakhs

| 28. Other Income | For the Year ended March 31, 2024 | For the Year ended March 31, 2023 |
|---|---|---|
| Interest on Income Tax Refund | 6.32 | 76.10 |
| Interest Income from Financial Assets carried at Amortised Cost | | |
| - Deposits | 79.68 | 38.02 |
| - Others | 0.81 | 0.47 |
| Dividend from Subsidiary | 11,105.14 | 2,381.99 |
| Income from Rental Services | 9.84 | 9.36 |
| Provision/Liabilities no longer required written back | 49.46 | 26.50 |
| Provision for Loss Allowance Written Back | 1.58 | 0.40 |
| Gain on Foreign Currency Transactions (Net) | 9.23 | 1.21 |
| Other Non Operating Income | 0.06 | 0.61 |
| | **11,262.12** | 2,534.66 |

₹ in Lakhs

| 29. Operational Expenses | For the Year ended March 31, 2024 | For the Year ended March 31, 2023 |
|---|---|---|
| Freight, Documentation and Other Charges | 2,278.77 | 2,736.83 |
| Warehousing Charges | 1,096.71 | 1,013.87 |
| | **3,375.48** | 3,750.70 |

TKM Global Logistics Limited

## Notes forming part of the Financial Statements for the Year ended March 31, 2024

₹ in Lakhs

| 30. Employee Benefits Expense | For the Year ended March 31, 2024 | For the Year ended March 31, 2023 |
|---|---|---|
| Salaries and Wages, including Bonus | 608.96 | 622.86 |
| Contribution to Provident and Other Funds | 38.42 | 39.69 |
| Staff Welfare Expenses | 5.80 | 3.42 |
| | **653.18** | 665.97 |

₹ in Lakhs

| 31. Finance Costs | For the Year ended March 31, 2024 | For the Year ended March 31, 2023 |
|---|---|---|
| Interest and finance charges on lease liabilities and financial liabilities not at fair value through profit or loss | 130.58 | 72.26 |
| | **130.58** | 72.26 |

₹ in Lakhs

| 32. Other Expenses | For the Year ended March 31, 2024 | For the Year ended March 31, 2023 |
|---|---|---|
| Power & Fuel | 7.07 | 3.21 |
| Rent | 31.87 | 19.61 |
| Repairs to Buildings | 7.28 | 0.89 |
| Repairs- Others | 7.85 | 9.22 |
| Insurance Charges | 19.43 | 22.28 |
| Rates and Taxes | 3.28 | 3.49 |
| Travelling Expenses | 6.05 | 9.70 |
| Corporate Social Responsibility Expenditure(Refer Note 32.2 below) | 22.23 | - |
| Provision for Loss Allowances | 0.88 | 2.11 |
| Professional & Consultancy charges | 37.18 | 20.57 |
| Payment to Auditors (Refer Note 32.1 below) | 14.00 | 11.83 |
| Miscellaneous Expenses | 41.05 | 22.56 |
| | **198.17** | **125.47** |
| **32.1 Payment to Auditors** | | |
| Statutory Audit Fees | 7.00 | 5.50 |
| Other Matters (including Certification) | 6.15 | 5.55 |
| Out of Pocket Expenses | 0.85 | 0.78 |
| | **14.00** | **11.83** |
| **32.2 Disclosures in relation to Corporate Social Responsibility expenditure** | | |
| Contribution towards promoting education | 21.83 | - |
| Others | 0.40 | - |
| **Total** | **22.23** | - |
| | | |
| **Amount required to be spent as per Section 135 of the Act** | **22.23** | |
| Amount spent during the Year | | |
| (i) Construction / Acquisition of assets | - | - |
| (ii) On Purposes other than (i) above | 22.23 | - |
| | **22.23** | - |
| **Details of excess CSR expenditure under Section 135(5) of the Act** | | |
| Amount required to be spent during the year | 22.23 | - |
| Amount spent during the year | 22.23 | - |
| **Balance excess spent** | - | - |





TKM Global Logistics Limited

## Notes forming part of the Financial Statements for the Year ended March 31, 2024

₹ in Lakhs

| 33. Income Tax Expense | For the Year ended March 31, 2024 | For the Year ended March 31, 2023 |
|---|---|---|
| **A Income Tax recognised in Profit or Loss** | | |
| Current Tax on Profits for the Year | **347.65** | 108.06 |
| | **347.65** | 108.06 |
| **B Deferred Tax** | | |
| Origination and Reversal of Temporary Differences | **(25.43)** | (8.82) |
| | **(25.43)** | (8.82) |
| **C Tax on Other Comprehensive Income** | | |
| Current Tax | | |
| -Remeasurements on Post-employment Defined Benefit Obligations | **(1.29)** | 2.94 |
| | **(1.29)** | 2.94 |

Reconciliation of the Income Tax Expense to the Profit for the year as follows:

₹ in Lakhs

| Income Tax Expense | For the Year ended March 31, 2024 | For the Year ended March 31, 2023 |
|---|---|---|
| Profit Before Tax for the Year | 11,259.34 | 2,734.26 |
| | | |
| Income Tax Expense calculated at 25.168% (2022-23: 25.168 %) | 2,833.75 | 688.16 |
| Effect of Expenses that are not Deductible in determining Taxable Profit | 6.38 | 0.03 |
| Effect of Income Deductible as per Tax Laws | (2,516.80) | (599.50) |
| | (1.11) | 10.55 |
| **Income Tax Expense for the Year** | **322.22** | 99.24 |

The tax rate used in the reconciliation above is the applicable corporate tax rate plus surcharge and cess payable by corporate entities in India on taxable profits under the Indian tax law.

₹ in Lakhs

| 34 Deferred Tax (Liabilities)/Assets (net) | As at March 31, 2024 | | | | |
|---|---|---|---|---|---|
| | As at April 1, 2022 | (Charge)/ Credit for the Year | As at, April 1, 2023 | (Charge)/ Credit for the Year | As at March 31, 2024 |
| **Deferred Tax Liabilities** | | | | | |
| Property, Plant & Equipment and Intangible Assets | (87.23) | (1.84) | (89.07) | (1.71) | **(90.78)** |
| | **(87.23)** | **(1.84)** | **(89.07)** | **(1.71)** | **(90.78)** |
| Deferred Tax Assets | | | | | |
| Provision for Doubtful Debts and Advances | 19.24 | 0.43 | 19.67 | (0.18) | **19.49** |
| Provision for Compensated Absences and Gratuity | 39.12 | (4.17) | 34.95 | 4.94 | **39.89** |
| **Right Of Use Assets (net of Lease Liabilities)** | (2.75) | 14.40 | 11.65 | 22.38 | **34.03** |
| | **55.61** | **10.66** | **66.27** | **27.14** | **93.41** |
| **Deferred Tax (Charge)/ credit** | | **8.82** | | **25.43** | |
| **Deferred Tax (Liabilities)/ Assets (Net)** | **(31.62)** | | **(22.80)** | | **2.63** |

TKM Global Logistics Limited

## Notes forming part of the Financial Statements for the Year ended March 31, 2024

₹ in Lakhs

| 35 Earnings per Share | For the Year ended March 31, 2024 | For the Year ended March 31, 2023 |
|---|---|---|
| **A Basic** | | |
| (i) Number of Equity Shares at the Beginning of the year (in Lakhs) | **36.00** | 36.00 |
| (ii) Number of Equity Shares at the End of the year (in Lakhs) | **36.00** | 36.00 |
| (iii) Weighted Average Number of Equity Shares Outstanding during the year (in Lakhs) | **36.00** | 36.00 |
| (iv) Face Value of each Equity Share (₹) | **10.00** | 10.00 |
| (v) Profit attributable to the Equity Shareholders (in Lakhs) | **10,937.12** | 2,635.02 |
| (vi) Basic Earnings per Equity Share [ (v) / (iii) ] (₹) | **303.81** | 73.20 |
| | | |
| **B Diluted** | | |
| (i) Dilutive Potential Equity Shares | - | - |
| (ii) Dilutive Earnings per Equity Share | **303.81** | 73.20 |

### 36 Employee Benefits

**(i) Defined Contribution Plans**

The Company provide Provident Fund to its employees, both the employer and employee make monthly contributions to a fund administered by Government of India.The Company has no legal or constructive obligation to pay further contributions if the funds do not hold sufficient assets to pay employee benefits. The contributions are recognised as expenses in the Statement of Profit and Loss based on the amount of contribution required to be made and when services are rendered by employees. During the year an amount of **₹ 25.24 Lakhs** (31st March 2023: ₹ 25.07 Lakhs) has been recognised as expenditure towards the above defined contribution plans by the Company.

**(ii) Defined Benefit Plans**

The Company provides Gratuity benefits to its employees. Gratuity liabilities are funded through Life Insurance Corporation of India. The Company makes payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment.Vesting occurs upon completion of five years of service. Liabilities with regard to Gratuity plan are ascertained by an independent actuarial valuer. The liability recognised in the Balance Sheet is the present value of the defined benefit obligations on the Balance Sheet date less the fair value of the plan assets (for funded plans), together with adjustments for unrecognised past service costs. All actuarial gains and losses are recognised in Statement of Profit and Loss in full in the year in which they occur.

These plans typically expose the Company to actuarial risks such as discount rate risk, demographic risk and salary growth risk.

| | |
|---|---|
| **Discount Rate Risk** | The Company is exposed to the risk of falling discount rate. A fall in discount rate will eventually increase the ultimate cost of providing the above benefit thereby increasing the value of liability. |
| **Demographic Risk** | The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality and attrition rates of plan participants. An increase in life expectancy or service term of the plan participants will increase the plan's liability. |
| **Salary Growth Risk** | The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability. |

TKM Global Logistics Limited

Notes forming part of the Financial Statements for the Year ended March 31, 2024

**The following table sets forth the particulars in respect of Gratuity Plan (Funded) of the company:** ₹ in Lakhs

| Gratuity Plan (Funded) | For the Year ended March 31, 2024 | For the Year ended March 31, 2023 |
|---|---|---|
| **1. Reconciliation of Opening and Closing balances of the Present Value of the Defined Benefit Obligation (DBO):** | | |
| (a) Present Value of Obligation at the Beginning of the Year | **157.76** | 165.67 |
| (b) Current Service Cost | **9.52** | 10.70 |
| (c) Interest Cost | **11.19** | 10.65 |
| (d) Remeasurement Losses | | |
| Actuarial (Gain) / Loss arising from changes in Experience Adjustments | **0.61** | (3.84) |
| Actuarial (Gain) / Loss arising from changes in Financial Assumptions | **4.46** | (7.39) |
| (e) Benefits Paid | **(9.03)** | (18.03) |
| **(f) Present Value of Obligation at the End of the Year** | **174.51** | 157.76 |
| **2. Reconciliation of Opening and Closing balances of the Fair Value of the Plan Assets:** | | |
| (a) Fair Value of Plan Assets at the Beginning of the Year | **125.64** | 125.50 |
| (b) Interest Income | **9.02** | 8.24 |
| (c) Contributions from Employer | **4.96** | 9.48 |
| (d) Return on Plan Assets (excluding amounts included in Interest Income above) | - | 0.45 |
| (e) Benefits Paid | **(9.03)** | (18.03) |
| **(f) Fair Value of Plan Assets at the End of the Year** | **130.59** | 125.64 |
| **3. Reconciliation of Present Value of the Defined Benefit Obligation and Fair Value of Plan Assets:** | | |
| (a) Present Value of Obligation at the End of the Year | **174.51** | 157.76 |
| (b) Fair Value of Plan Assets at the End of the Year | **130.59** | 125.64 |
| (c) Liabilities Recognized in the Balance Sheet (a-b) | **43.92** | 32.11 |
| Provision for Employee Benefit - Current (Refer Note 25) | **43.92** | 32.11 |
| **4. Expense Recognized in the Statement of Profit & Loss during the Year** | | |
| (a) Service Cost | **9.52** | 10.70 |
| (b) Net Interest Cost | **2.17** | 2.41 |
| **Total Expense Recognized in the Statement of Profit & Loss during the Year** | **11.69** | 13.11 |
| **5. Expense Recognized in Other Comprehensive Income** | | |
| (a) Actuarial (Gain)/ Loss due to DBO Experience | **0.61** | (3.84) |
| (b) Actuarial (Gain)/Loss due to DBO Assumption Changes | **4.46** | (7.39) |
| (c) Actuarial (Gain) / Loss during the Year (a+b) | **5.07** | (11.23) |
| (d) Return on Plan Assets (excluding amounts included in Interest Income above) | - | (0.45) |
| **(e) Total (Income) / Expense Recognised in Other Comprehensive Income (c+d)** | **5.07** | (11.68) |
| **6. Category of Plan Assets** | | |
| (a) Funded with LIC of India | 100% | 100% |
| **7. Maturity Profile of Defined Benefit Obligation** | | |
| (a) Within 1 Year | **4.04** | 7.26 |
| (b) 1-2 Years | **4.41** | 4.08 |
| (c) 2-5 Years | **45.81** | 36.87 |
| (d) More than 5 Years | **87.39** | 97.93 |
| **8. Principal Assumptions** | | |
| (a) Discount Rate (per annum) | **7.00%** | 7.30% |
| (b) Salary Escalation (per annum) | **9.00%** | 9.00% |

Assumption regarding future mortality experience are based on mortality tables of Indian Assured Lives Mortality (2006-2008) published by the Institute of Actuaries of India.

Investment details are not available, all contributions are deposited and managed by Life Insurance Corporation of India.

## TKM Global Logistics Limited
## Notes forming part of the Financial Statements for the Year ended March 31, 2024

**9.** Actuarial assumptions for the determination of the defined obligation are discount rate and expected salary escalation. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

### Actuarial Assumptions - Sensitivity Analysis

*₹ in Lakhs*

| Effect of change in | For the year ended 31st March 2024 | | For the year ended 31st March 2023 | |
|---|---|---|---|---|
| | Discount Rate | Salary Escalation | Discount Rate | Salary Escalation |
| **Increase by 1%** | | | | |
| (i) Aggregate Service and Interest Cost | **(14.22)** | **13.15** | (13.43) | 13.15 |
| (ii) Closing Balance of Obligation | **160.29** | **187.66** | 144.33 | 170.91 |
| **Decrease by 1%** | | | | |
| (i) Aggregate Service and Interest Cost | **16.16** | **(12.84)** | 15.28 | (12.53) |
| (ii) Closing Balance of Obligation | **190.67** | **161.67** | 173.04 | 145.23 |

The sensitivity analyses presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

**10.** The Company expects to contribute **₹ 43.92 Lakhs** (March 31, 2023 - ₹ 32.11 Lakhs ) to the funded gratuity plans during the next financial year.

**11.** The weighted average duration of the defined benefit obligation as at March 31, 2024 is 9 years (March 31, 2023 – 10 years).

**(iii) Leave Obligations**

The Company provides for accumulation of leave by certain categories of its employees. These employees can carry forward a portion of the unutilised leave balances and utilise it in future periods or receive cash (only in case of earned leave) in lieu thereof as per the Company's policy. The Company records a provision for leave obligations in the period in which the employee renders the services that increases this entitlement. The total provision recorded by the Company towards this obligation was **₹ 114.56 Lakhs** and ₹ 106.73 Lakhs as at March 31, 2024 and March 31, 2023 respectively. As per the leave policy of the Company, an employee is entitled to be paid the accumulated leave balance on separation. The Company presents provision for leave salaries as current and non-current based on actuarial valuation considering estimates of availment of leave, separation of employee etc.

### 37. Fair Value Measurements

**(a) Financial Instruments by Category**

The following table presents carrying amount and fair value of each category of financial assets and liabilities as at the year end:

*₹ in Lakhs*

| | Note No | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| **Financial Assets** | | | |
| **Assets Carried at Amortised Cost** | | | |
| Trade Receivables | 11 | **1,260.91** | 1,266.08 |
| Loans | 14 | **5.05** | 5.77 |
| Other Financial Assets | 8, 15 | **234.48** | 178.51 |
| Cash and Cash Equivalents | 12 | **2,405.24** | 1,231.04 |
| Other Bank Balances | 13 | **120.59** | 19.72 |
| **Total Financial Assets** | | **4,026.27** | 2,701.12 |



## TKM Global Logistics Limited
## Notes forming part of the Financial Statements for the Year ended March 31, 2024

| | Note No | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| **Financial Liabilities** | | | |
| **Liabilities Carried at Amortised Cost** | | | |
| Trade Payables | 23 | **810.06** | 536.98 |
| Lease Liabilities | 19, 22 | **2,890.29** | 1,215.13 |
| Other Financial Liabilities | 20, 24 | **298.19** | 186.61 |
| **Total Financial Liabilities** | | **3,998.54** | 1,938.72 |

**(b) Fair Value Measurement**

The fair values of financial assets and liabilities are included at the amount 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. Methods and assumptions used to estimate the fair values are consistent with those used for the year ended March 31, 2023.

(i) The management assessed that fair values of loans (current), trade receivables, cash and cash equivalents, other bank balances, other financial assets, trade payables and other financial liabilities, approximate to their carrying amounts.

(ii) In respect of security deposit given which are non-interest bearing, the Company has used discounted cash flows to arrive at the fair value as at Balance Sheet date.

**(c) Fair Value Hierarchy**

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value. To provide an indication about the reliability of the inputs used in determining fair value, the Company has considered three levels prescribed under the accounting standard. An explanation of each level follows below.

**Level 1:** Level 1 hierarchy includes financial instruments measured using quoted prices.

**Level 2:** The fair value of financial instruments that are not traded in an active market (for example, over-the counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

All of the financial assets and liabilities of the Company are measured at Amortised cost.

### Fair Value Hierarchy

*₹ in Lakhs*

| | As at March 31, 2024 Level 3 | As at March 31, 2023 Level 3 |
|---|---|---|
| **Recognised and Measured at Fair Value -'Recurring Measurements'** | | |
| Financial Assets | | |
| Security Deposits | 64.20 | - |
| | **64.20** | - |

### 38 Financial Risk Management

The Company's activities expose it to credit risk, liquidity risk and market risk. The Company's senior management oversees the management of above risks. The senior executives working to manage the financial risks are accountable to the Audit Committee and the Board of Directors. This process provides assurance to the Company's senior management that the Company's financial risks-taking activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and the Company's risk appetite.

This Note explains the sources of risk which the entity is exposed to and how the entity manages the risk. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

TKM Global Logistics Limited

## Notes forming part of the Financial Statements for the Year ended March 31, 2024

**(a) Credit Risk:**

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The Company is exposed to credit risk from its operating activities (primarily Trade Receivables) and from its investing activities (primarily Deposits with Banks)

**Trade Receivables**

Trade receivables are typically unsecured and are derived from revenue earned from customers. Customer credit risk is managed centrally and is subject to the Company's policy and procedures which involve credit approvals, establishing credit limits and continually monitoring the credit worthiness of customers to which the Company grants credit terms in the normal course of business. Outstanding customer receivables are regularly monitored. The Company uses expected credit loss model to assess the impairment loss. The Company uses a provision matrix to compute the expected credit loss allowance for trade receivables. The provision matrix takes into account available external and internal credit risk factors and the Company's historical experience with customers. For details of major customers accounting for more than 10% of revenue from external customers, refer Note 42(iv).

**Other Financial Assets**

Credit risk from balances with banks, term deposits, loans and investments is managed by Company's finance department. Investments of surplus funds are made only with approved counterparties who meet the minimum threshold requirements.

**Financial Assets that are Neither Past Due Not Impaired**

None of the Company's cash equivalents with banks, loans and investments were past due or impaired as at 31st March 2024 and 31st March 2023. Of the total trade receivables, **₹767.65 Lakhs** as at 31st March 2024 and ₹ 504.19 Lakhs as at 31st March 2023 consisted of customer balances that were neither past due nor impaired.

**Financial Assets that are Past Due but Not Impaired**

The Company's credit period for customers generally ranges from 0 - 60 days. The ageing of trade receivables that are past due but not impaired is given in Note 11:

Receivables are deemed to be past due or impaired with reference to the Company's policy on provisioning of receivables. Receivables that are not classified as 'Receivable not yet due' or 'Unbilled Revenue' in the tables mentioned in Note 11 are those that have not been settled within the terms and conditions that have been agreed with that customer.

Other than trade receivables, the Company has no significant class of financial assets that is past due but not impaired.

**Reconciliation of Provision for Loss Allowance - Trade Receivables**

*₹ in Lakhs*

| Provision for Loss Allowance - Trade Receivables | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Balance at the Beginning of the Year | **60.50** | 58.79 |
| Provision made during the Year | **0.88** | 2.11 |
| Provision written back / reversed during the Year | **(1.58)** | (0.40) |
| **Balance at the End of the Year** | **59.80** | 60.50 |

**(b) Liquidity Risk:**

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company closely monitors its liquidity position and maintains adequate sources of financing.

**Maturities of Financial Liabilities**

The table below analyse Company's financial liabilities into relevant maturity groupings based on their contractual maturities. The amount disclosed in the table are the contractual undiscounted cash flows.

*₹ in Lakhs*

| Contractual Maturities of Financial Liabilities | As at March 31, 2024 | | | | |
|---|---|---|---|---|---|
| | Upto 1 Year | 1 Year to 3 Years | 3 Year to 5 Years | More than 5 Years | Total |
| Trade Payables | 810.06 | - | - | - | 810.06 |
| Lease Liabilities | 913.15 | 1,977.14 | - | - | 2,890.29 |
| Other Financial Liabilities | 290.83 | 7.36 | - | - | 298.19 |
| **Total** | **2,014.04** | **1,984.50** | **-** | **-** | **3,998.54** |

*₹ in Lakhs*

| Contractual Maturities of Financial Liabilities | As at March 31, 2023 | | | | |
|---|---|---|---|---|---|
| | Upto 1 Year | 1 Year to 3 Years | 3 Year to 5 Years | More than 5 Years | Total |
| Trade Payables | 536.98 | - | - | - | 536.98 |
| Lease Liabilities | 370.00 | 845.13 | - | - | 1,215.13 |
| Other Financial Liabilities | 176.95 | 9.66 | - | - | 186.61 |
| **Total** | **1,083.93** | **854.79** | **-** | **-** | **1,938.72** |

**(c) Market Risk**

**a) Foreign Currency Exchange Rate Risk:**

Foreign currency risk is the risk that the fair value of the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company transacts business in local currency and in foreign currencies. The Company has foreign currency trade receivables and trade payables and is therefore exposed to foreign currency risk. The Company strives to achieve asset-liability offset of foreign currency exposures.

**i) Foreign Currency Risk Exposure:**

The Company's exposure to foreign currency risk at the end of the reporting period expressed in INR, are as follows:

*₹ in Lakhs*

| Receivables in foreign currency | As at March 31, 2024 | | As at March 31, 2023 | |
|---|---|---|---|---|
| | Foreign currency in Lakhs | ₹ in Lakhs | Foreign currency in Lakhs | ₹ in Lakhs |
| EUR | 0.07 | 5.75 | - | - |
| SGD | ^0.00 | ^0.00 | ^0.00 | 0.26 |
| USD | 0.53 | 42.92 | 0.22 | 17.68 |

*₹ in Lakhs*

| Payables in foreign currency | As at March 31, 2024 | | As at March 31, 2023 | |
|---|---|---|---|---|
| | Foreign currency in Lakhs | ₹ in Lakhs | Foreign currency in Lakhs | ₹ in Lakhs |
| EUR | 0.06 | 5.34 | 0.55 | 49.60 |
| SGD | 0.09 | 9.29 | 0.03 | 2.76 |
| USD | 0.55 | 46.87 | 0.68 | 57.13 |

^Amount is below the rounding off norm adopted by the Company.

**ii) Sensitivity:**

The sensitivity of proft or loss to changes in the foreign exchange rates arises mainly from foreign currency denominated financial instruments.

*₹ in Lakhs*

| Payables in foreign currency | Impact on Profit before Tax | | | |
|---|---|---|---|---|
| | Receivables ₹ in Lakhs | | Payables ₹ in Lakhs | |
| | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2024 | As at March 31, 2023 |
| **EUR Sensitivity** | | | | |
| INR/EUR - Increase by 10% * | **0.58** | - | (0.53) | (4.96) |
| INR/EUR - Decrease by 10% * | **(0.58)** | - | 0.53 | 4.96 |
| **GBP Sensitivity** | | | | |
| INR/GBP - Increase by 10% * | **-** | - | (0.93) | (0.28) |
| INR/GBP - Decrease by 10% * | **-** | - | 0.93 | 0.28 |

TKM Global Logistics Limited
## Notes forming part of the Financial Statements for the Year ended March 31, 2024

| Payables in foreign currency | Impact on Profit before Tax | | | |
|---|---|---|---|---|
| | Receivables ₹ in Lakhs | | Payables ₹ in Lakhs | |
| | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2024 | As at March 31, 2023 |
| **SGD Sensitivity** | | | | |
| INR/SGD - Increase by 10% * | ^0.00 | 0.03 | - | - |
| INR/SGD - Decrease by 10% * | (^0.00) | (0.03) | - | - |
| **USD Sensitivity** | | | | |
| INR/USD - Increase by 10% * | **4.29** | 1.77 | (4.69) | (5.71) |
| INR/USD - Decrease by 10% * | **(4.29)** | (1.77) | 4.69 | 5.71 |

* Holding all other variables constant

^Amount is below the rounding off norm adopted by the Company.

**b) Interest Rate Risk:**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has no borrowings outstanding as at year end. The Company's investments in term deposits with bank are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of changes in market interest rates.

### 39 Capital Management

a) Risk Management

The Company's objectives when managing capital are to

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

The Company monitors capital on the basis of the net debt to equity ratio. Net debt are long-term and short-term debts as reduced by cash and cash equivalents. Total Equity is as disclosed in balance sheet (Note 17 and 18). The Company is not subject to any externally imposed capital requirements.

b) Dividend on Equity Share

*₹ in Lakhs*

| Particulars | For the Year ended March 31, 2024 | For the Year ended March 31, 2023 |
|---|---|---|
| **Dividend declared and paid during the year**<br>Final dividend for the year ended March 31, 2023 of Rs. 55.56 per fully paid share with face value of Rs. 10/- each (March 31, 2022: Rs. 69.44 per fully paid share with face value of Rs. 10/- each) | **2,000.00** | 2,500.00 |
| Interim dividend for the year ended March 31, 2024 of Rs. 222.22 per fully paid share with face value of Rs. 10/- each (March 31, 2023: Rs. Nil) | **8,000.00** | - |

### 40. List of Related Parties and Relationship

**a) Entities with Joint Control or Significant influence over the Company:**

| Name | Type | Place of Incorporation |
|---|---|---|
| Tata Steel Limited | Entity with Joint Control of Holding Company | India |
| TM International Logistics Limited | Holding Company | India |

**a) The Company has the following Subsidiary Companies:**

| Name | Type | Place of Incorporation |
|---|---|---|
| TKM Global GmbH | Wholly Owned Subsidiary | Germany |
| TKM Global China Limited | Wholly Owned Subsidiary | China |





TKM Global Logistics Limited
Notes forming part of the Financial Statements for the Year ended March 31, 2024

**c) The Company has the following Fellow Subsidiaries with which Transactions have taken place during the Current/ Previous year**

1) The Indian Steel & Wire Products Limited
2) International Shipping and Logistics FZE
3) Tata Metaliks Limited (merged with Tata Steel Limited)
4) The Tinplate Company of India Limited (merged with Tata Steel Limited)
5) Tata Steel TABB Limited
6) Tata Steel Mining Limited (merged with Tata Steel Limited)
7) Tata Steel Long Products Limited (merged with Tata Steel Limited)

**d) Key Managerial Personnel of the Company**

| Name | Relationship |
|---|---|
| Mr. Dinesh Shastri | Non-Independent Non-Executive Director |
| Mr. Amar Patnaik | Non-Independent Non-Executive Director |
| Mr. Virendra Sinha (from April 14, 2023) | Non-Independent Non-Executive Director |
| Mr. Nandan Nandi | Non-Independent Non-Executive Director |
| Mr. Sandeep Bhattacharya (from March 2, 2022 till January 3, 2023) | Non-Independent Non-Executive Director |

### Transactions with Related Parties during the Year and Balances Outstanding at the Year-end

*₹ in Lakhs*

| Particulars | Entities with Joint Control of Holding Company | Holding Company | Subsidiaries | Fellow Subsidiaries | Total |
|---|---|---|---|---|---|
| **Transactions during the Year** | | | | | |
| Rendering of Services | **2,225.56** | **1,038.54** | **243.12** | **84.59** | **3,591.81** |
| | *(1,860.08)* | *(872.91)* | *(100.47)* | *(1,197.24)* | *(4,030.70)* |
| | | | | | |
| Receiving of Services | - | **0.42** | **466.94** | - | **467.36** |
| | - | *(18.68)* | *(163.07)* | - | *(181.75)* |
| | | | | | |
| Dividend Received | - | - | **11,105.14** | - | **11,105.14** |
| | - | - | *(2,381.99)* | - | *(2,381.99)* |
| | | | | | |
| Reimbursement Received | - | **163.30** | - | - | **163.30** |
| | - | *(77.72)* | *(52.96)* | *(1.08)* | *(131.76)* |
| | | | | | |
| Reimbursement Paid | - | **38.45** | - | - | **38.45** |
| | - | *(22.60)* | - | - | *(22.60)* |
| | | | | | |
| Rental Income | - | **9.84** | - | - | **9.84** |
| | - | *(9.36)* | - | - | *(9.36)* |
| | | | | | |
| Rental Expense | - | **24.52** | - | - | **24.52** |
| | - | *(12.70)* | - | - | *(12.70)* |
| | | | | | |
| Dividend Paid | - | **10,000.00** | - | - | **10,000.00** |
| | - | *(2,500.00)* | - | - | *(2,500.00)* |

TKM Global Logistics Limited

## Notes forming part of the Financial Statements for the Year ended March 31, 2024

| Particulars | Entities with Joint Control of Holding Company | Holding Company | Subsidiaries | Fellow Subsidiaries | Total |
|---|---|---|---|---|---|
| **Balances Outstanding as at March 31,2024** | | | | | |
| Trade Receivables | **466.56** | **487.07** | **110.04** | **16.25** | **1,079.92** |
| | *(692.86)* | *(89.11)* | *(40.39)* | *(325.94)* | *(1,148.30)* |
| | | | | | |
| Security Deposit Received | **-** | **278.22** | **-** | **-** | **278.22** |
| | - | *(170.56)* | - | - | *(170.56)* |
| | | | | | |
| Trade Payables | **-** | **21.73** | **5.38** | **-** | **27.11** |
| | - | - | (63.57) | - | (63.57) |
| | | | | | |
| Contract Liabilities | **0.92** | **-** | **-** | **-** | **0.92** |
| | *(0.30)* | *(0.11)* | *(1.62)* | *(0.68)* | *(2.71)* |

Figures in bracket represents transactions with related parties during the Year ended March 31, 2023 and balances as at March 31, 2023.

### 41 Contingencies

*₹ in Lakhs*

| Contingent Liabilities | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **Claims against the company not acknowledged as Debts** | | |
| Service Tax | - | 6,677.63 |
| Income Tax | **142.01** | 142.01 |
| Others | - | 49.87 |
| | **142.01** | 6,869.51 |

The details of material litigations are as described below:

**Taxes and Other Claims**

As at March 31, 2023, the Service Tax Department had raised ₹ 6,677.63 Lakhs on applicability of service tax on remittances made to Overseas Logistics Service Providers by the company from Financial Year 2005-2006 to Financial Year 2009-2010. The Company had filed an appeal against the demand and had obtained stay from Kolkata High Court against pre-deposit demanded by the CESTAT Eastern Zone. During the year, CESTAT has issued order in favour of the Company vide order dated February 28, 2024.

### 42. Segment Reporting

Based on the synergies, risks and returns associated with business operations and in terms of Ind AS - 108, the Company is predominantly engaged in the business of a single reportable segment of Logistics during the year.

### Entity-wise Disclosures :

*₹ in Lakhs*

| (i) Service-wise Revenue from External Customers | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|
| Income from Freight, Agency and Other Charges | **2,578.29** | 3,072.29 |
| Income from Warehousing Services | **1,769.31** | 1,566.81 |
| Income from Service Charges-Deputation Income | **466.51** | 434.20 |
| | **4,814.11** | 5,073.30 |

The Company recognises all streams of revenue at a point in time (i.e. when the customer obtains control of the promised service) and there is no stream of revenue which is recognised over a period of time (i.e. as the customer obtains control of the promised service).



TKM Global Logistics Limited

Notes forming part of the Financial Statements for the Year ended March 31, 2024

(ii) The Company is Domiciled in India. The amount of its Revenue from External Customers across geographical regions of the customers are as below :

*₹ in Lakhs*

| Particulars | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|
| India | **4,740.43** | 4,939.38 |
| Rest of the World | **73.68** | 133.92 |
| | **4,814.11** | 5,073.30 |

(iii) All Non-current Assets of the Company (excluding Financial Assets) are located in India.

*₹ in Lakhs*

| (iv) Details of major customers accounting for more than 10% of Revenue from External Customers | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|
| Tata Steel Limited | 2,225.56 | 1,860.08 |
| TM International Logistcs Limited | **1,038.54** | 872.91 |

### 43 Details of Dues To Micro And Small Enterprises (MSE's)

*₹ in Lakhs*

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| 1 The Principal amount and Interest due thereon remaining unpaid to any supplier at the end of the accounting year | | |
| - Principal amount | **6.45** | 0.66 |
| - Interest due thereon | **2.64** | 0.08 |
| 2 The amount of interest paid by the buyer in terms of Section 16 of the MSMED Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during the year | | |
| - Principal amount | - | - |
| - Interest due thereon | - | - |
| 3 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 this Act | | |
| - Principal amount | **39.10** | 2.22 |
| - Interest due thereon | **0.48** | 0.03 |
| 4 The amount of interest accrued and remaining unpaid - at the end of the accounting year | **3.12** | 0.11 |
| 5 The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest due on above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act, 2006. | **4.19** | 1.07 |
| The above particulars, as applicable, have been given in respect of MSE's to the extent they could be identified on the basis of the information available with the Company. | | |

### 44 Ratio Disclosures

*₹ in Lakhs*

| Ratio Disclosures | Numerator | Denominator | As at March 31, 2024 | As at March 31, 2023 | % change as compared to March 31, 2023 | Reasons for variance more than 25% |
|---|---|---|---|---|---|---|
| (a) Current Ratio (times) | Current Assets | Current Liabilities | 1.81 | 2.26 | -20% | - |
| (b) Debt-Equity Ratio (times) | Total Debt | Shareholder's Equity | 0.69 | 0.38 | 85% | Primarily due to increase in Lease Liabilities |
| (c) Debt Service Coverage Ratio (times) | Earnings available for debt services | Debt Service | 23.54 | 10.76 | 119% | Primarily due to increase in payments of Lease Liabilities |

## TKM Global Logistics Limited
## Notes forming part of the Financial Statements for the Year ended March 31, 2024

| Ratio Disclosures | Numerator | Denominator | As at March 31, 2024 | As at March 31, 2023 | % change as compared to March 31, 2023 | Reasons for variance more than 25% |
|---|---|---|---|---|---|---|
| (d) Return on Equity Ratio (%) | Profit After Tax | Averge Net Worth | 295% | 83% | 255% | Primarily due to increase in Dividend from Subsidiary |
| (e) Inventory Turnover Ratio | Revenue from Operations | Average Inventory | - | - | 0% | - |
| (f) Trade Receivables Turnover Ratio | Revenue from Operations | Average Trade Receivables | 3.64 | 3.97 | -8% | - |
| (g) Trade Payables Turnover Ratio | Operational Expense | Average Trade Payables | 6.03 | 8.38 | -28% | Primarily due to increase in Trade Payables and decrease in Operational Expenses |
| (h) Net Capital Turnover Ratio (days) | Revenue from Operations | Working Capital = Current Assets (-) Current Liabilities | 2.72 | 3.48 | -22% | - |
| (i) Net Profit Ratio (%) | Profit After Tax | Revenue from Operations | 227% | 52% | 337% | Primarily due to increase in Dividend from Subsidiary |
| (j) Return on Capital Employed (%) | Earnings before Interest and Tax | Total Equity | 273% | 87% | 214% | Primarily due to increase in Dividend from Subsidiary |
| (k) Return on Investment (%) | Earnings before Interest and Tax | Average Total Assets | 165% | 58% | 183% | Primarily due to increase in Dividend from Subsidiary |

**Description:**

**Debt-Equity Ratio= Total Debt / Shareholder's Equity**

[Total Debt= Non-Current Lease Liabilities + Current Lease Liabilities]

[Shareholder's Equity = Equity Share Capital + Other Equity]

**Debt service coverage ratio= Earnings available for debt services / Debt service**

[Earnings available for debt services = Profit After Taxes + Non-cash Operating expense i.e Depreciation & Amortization + Finance Cost + Other adjustments viz. loss on sale of fixed assets, etc]

[Debt service= Principal and Interest elements of Lease Payments]

**45** The Company has long-term contracts as at March 31, 2024 for which there were no material foreseeable losses. The Company did not have derivative contracts as at March 31, 2024.

**46** There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2024.

**47** The Company has no transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956.

**48** The Company has not traded or invested in crypto currency or virtual currency during the year ended March 31, 2024.

**49** The Company has no undisclosed income transactions in the books of accounts that has been surrendered or disclosed as income during the current year as well as previous year in the tax assessments under the Income Tax Act, 1961.

**50** The Company has not granted loans to its promoters, directors, Key Managerial Personnel and the other related parties (as defined under the Companies Act, 2013) which are repayable on demand or without specifying any terms or period of repayment or any other loans or advance in the nature of loans.





## TKM Global Logistics Limited
## Notes forming part of the Financial Statements for the Year ended March 31, 2024

**51 (a)** No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

**51 (b)** No funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

**52** The Company has complied with the number of layers prescribed under the relevant provisions of the Companies Act, 2013.

**53** The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

**54** The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

**55** The Company has not revalued its Property, Plant and Equipment (including Right-of-use Assets) or Intangible Assets or both during the current year and previous year.

**56** No charge has been created on assets of the company during the current year and previous year.

### 57 Capital Commitments

There are no Capital Commitments as at March 31, 2024 (March 31, 2023: Nil)

**For Price Waterhouse & Co Chartered Accountants LLP**
**Firm Registration No. 304026E / E300009**

**Dhiraj Kumar**
**Partner**
Membership Number: 060466

Place: Kolkata
Date: April 23, 2024

**For and on behalf of the Board of Directors**

**Dinesh Shastri**
**Director**
DIN: 02069346

**Nandan Nandi**
**Director**
DIN: 09364725

Place: Kolkata
Date: April 23, 2024

# NOTES


# ISL International Shipping and Logistics FZE

Statutory Reports & Financial Statements

INTERNATIONAL SHIPPING AND LOGISTICS FZE

# CORPORATE INFORMATION

**Board of Directors**

As on 1st April, 2024

**Chairman**

Mr. Dinesh Shastri

**Directors**

Mr. Guenther Hahn
Mr. Nandan Nandi
Mr. Virendra Sinha
Mr. Dibyendu Dutta

**Director & Chief Executive Officer**

Capt. Som Sekhar Mishra

**Registered Office**

Office No. FZJOB1205
Jebel Ali Free Zone
Jafza One
P.O. Box 18490
Dubai, U.A.E

**Branch Office**

Jumeriah Business Centre 5
Cluster W
Office No. 1604 to 1606
Jumeriah Lakes Towers
P.O. Box: 18490
Dubai, U.A.E

Tel: 00971-4-4508953
Fax: 00971-4-4508941

**Management Team**

Capt. Som Sekhar Mishra- Director & CEO
Capt. Sudhir Kunnath- GM - Operations
Mr. Partha Sarthi Pal- GM - Commercial
Mr. Dipak Panda- Head – Finance & Accounts

**Auditors**

M/s. Pannell Kerr Forster, Chartered Accountants

**Bankers**

Citi Bank N.A
State Bank of India- Bahrain
HDFC Bank – Bahrain





INTERNATIONAL SHIPPING AND LOGISTICS FZE

# DIRECTORS' REPORT

*TO THE MEMBERS,*

The Directors hereby present their Nineteenth report on the business and operations of the Company and the audited financial account for the year ended 31st March 2024.

The Company was formed on 1st February 2004 as a Free Zone Establishment with limited liability pursuant to Law No. 9 of 1992 of H.H. Sheikh Mohammed Bin Rashid Al Maktoum, Ruler of Dubai and implementing Regulations issued thereunder by the Jebel Ali Free Zone Authority.

The Company is a wholly owned subsidiary of TM International Logistics Ltd., which is incorporated in India.

**FINANCIAL HIGHLIGHTS**

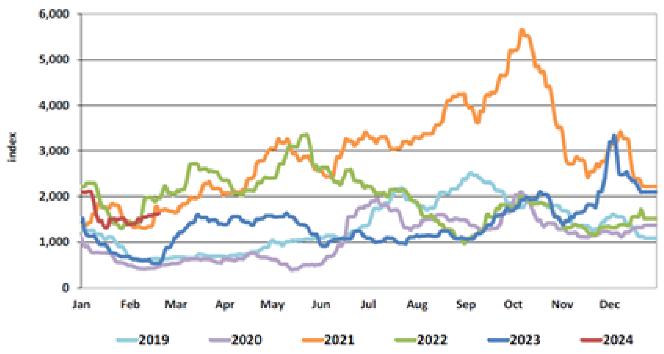
| Sl No. | Particulars | 31.03.2024 | 31.03.2024 | 31.03.2023 | 31.03.2023 |
|---|---|---|---|---|---|
| | | Amount in Rs | Amount in USD | Amount in Rs | Amount in USD |
| (a) | Revenue | 4,923,928,594 | 59,507,624 | 6,081,225,864 | 75,740,256 |
| (b) | Less: Direct Costs | 4,535,892,138 | 54,818,050 | 5,245,942,286 | 65,336,993 |
| **(c)** | **Profit from Operating Activities** | **388,036,455** | **4,689,574** | **835,283,578** | **10,403,263** |
| (d) | Less: Administrative & Other expenses | 222,342,084 | 2,687,092 | 206,241,179 | 2,568,686 |
| (f) | Add: Interest on Fixed Deposit & Other Operating Income | 164,729,075 | 1,990,816 | 62,882,023 | 783,181 |
| **(e)** | **EBDITA** | **330,423,446** | **3,993,298** | **691,924,421** | **8,617,758** |
| (g) | Less: Depreciation | 221,598,542 | 2,678,106 | 185,779,939 | 2,313,846 |
| **(j)** | **Profit After Tax for the year** | **108,824,904** | **1,315,192** | **506,144,482** | **6,303,912** |

**Dividend -** During the year under review the Company has paid an amount of USD 14.70mn as Dividend to shareholders(which includes and Interim Dividend of USD 2.49mn)

During the year under review, the total revenue of the Company was USD 59.51 million (Rs. 4,923.93 million) as against USD 75.74 million (Rs. 6,081.23 million) for the previous year. The Company made a profit of USD 1.31 million (Rs. 108.82 million) as against a net profit of USD 6.30 million (Rs. 506.14 million) in the previous year.

**Baltic Exchange Dry Bulk Index (BDI) - Seasonality**

(Feb 2024: source : the baltic exchange : daily data ; index)




**Market Report**

The Dry Bulk market faced increasing headwinds in the early weeks of 2023. The BDI lost significant ground and reached levels seen in the summer of 2020. The average BDI was 1587 in 2023-24 as compared to 1672 in the same period in 2022-23.

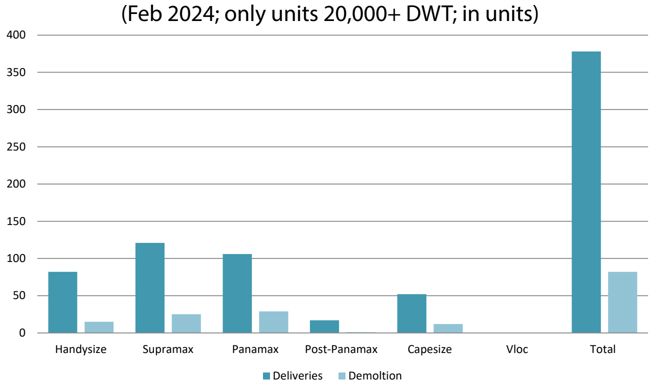
The year 2023 also witnessed shifts in commodity patterns, intensified by the slowdown in Chinese economic growth and the strict regulatory requirements which impacted infrastructure and construction activity and dampened demand for iron ore. The demand for minor bulk goods, which can include items like cement, fertilizer, and nickel ore, has seen a decline. This decrease could be due to a combination of factors, including changes in construction patterns and regional economic fluctuation The geopolitical tensions between Russia and Ukraine also added to the slowdown in markets.

Overall, the last year has seen companies in the sector manage disruption (Red Sea / Panama) and "going green" (EEXI, CII and now EU ETS, net zero commitment from IMO), it has been another resilient and moderate year for many across shipping.

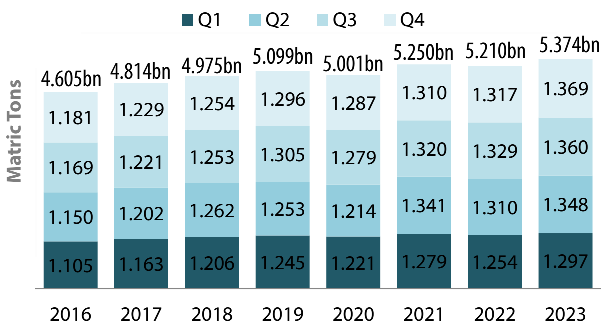
The dry bulk trading fleet (over 20,000 DWT) currently numbers about 11375 units / 944.96 Mn DWT In 2023, deliveries slowed down to just 403 units / 32.61 Mn DWT. In Jan-Dec 2023, at least 378 units (for a combined 31.29 Mn DWT) have been reported delivered, +7.6% y-o-y in DWT terms. Demolition Activity in 2023 was still modest, with just 82 units / 5.89 Mn DWT reported scrapped.

**Dry Bulk Deliveries/Demo in No. of Units - Jan-Dec 2023**

(Feb 2024; only units 20,000+ DWT; in units)




**Global Dry Bulk Glows**

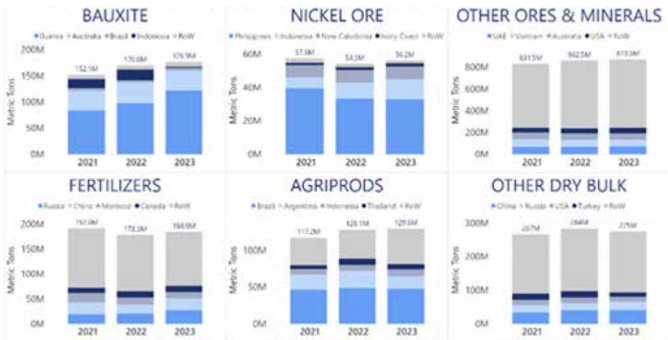



*Source - AXSMARINE*

Global Dry Bulk seaborne trade is said to have totaled over 5.37bn MT of commodities shipped in 2023, setting a record for quantities. In terms of the previous highest Dry Bulk quantities shipped, 2023 saw over 2.3% more cargo carried worldwide. The active fleet, however, increased by about 3% overall, with the Ultra max segment growing the most at over 8% compared to its vessel count in 2022. The Panamax active fleet gained over 4% year-over-year, while Cape size fleet between 120K and 220K MT of deadweight was boosted in numbers by just under 3%.

Towards the 3rd quarter of 2023, China's demand for raw materials surged to new levels and long-haul iron ore shipments were the catalyst for improved market conditions. Iron Ore, the most shipped Dry Bulk cargo worldwide, exceeded 1.6bn MT for the first time in 2023 for a 2.7% year-over-year increase. India supplied over 40m MT of Iron Ore for a 183.9% year-over-year gain. In the Steam Coal market – the second-most common Dry Bulk commodity – volumes shipped in 2023 surpassed 1bn MT for the first time in history. Coking Coal shipments increased by 3.4% year-over-year in 2023.

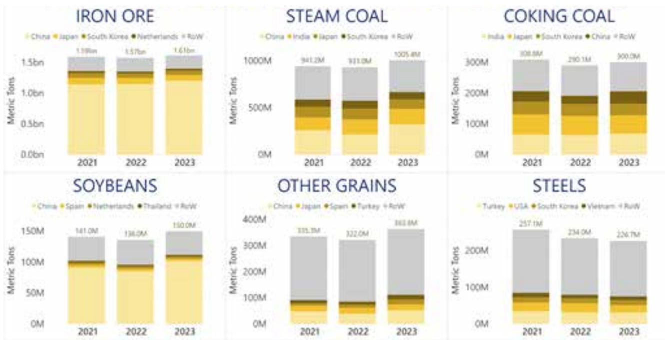
**Dry Bulk 2023 Flows by Top Exporters**




*Source - AXSMARINE*

Grain cargoes also registered a significant boost by 13% year-over-year in 2023. Brazil supplied over 54.5m MT of grain cargo, increasing its 2022 output by 31.8%. Meanwhile Russia nearly overtook the No. 1 spot with over 53.6m MT registering a 70.3% year-over-year improvement. More than 46.3m MT of these shipments constituted of Wheat. The only Dry Bulk commodities which showed decrease in 2023 included Steels, Cement and Clinker, among others shipped in lower volumes, such as Salt, Sugar, Wood Chips, and Timber.

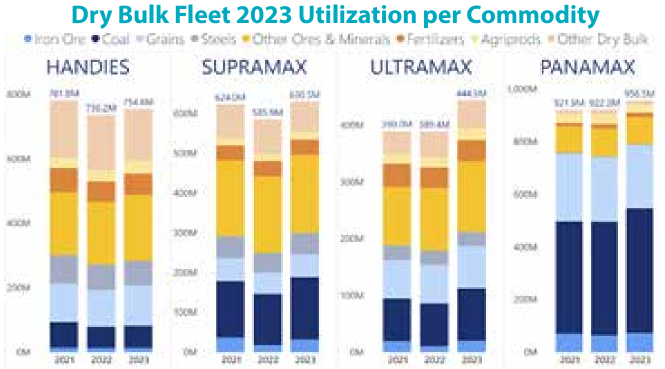
**Dry Bulk 2023 Flows by Top Importers**




*Source - AXSMARINE*

Demand wise, overall Dry Bulk discharged in China exceeded 2.17bn MT in 2023 compared to less than 1.95bn MT in 2022, meaning that almost 40.5% of all voyages discharged in Chinese ports.

**Dry Bulk Fleet 2023 Utilization per Commodity**




*Source - AXSMARINE*

Panamax vessels between 68K and 85K MT of deadweight saw a 3.7% possitive shift in their utilization against to 2022 levels, having carried over 956m MT of Dry Bulk. The largest portions of this were voyages carrying steam coal at over 370.8m MT and Soybeans at over 111.2m MT.





The first quarter of 2024 was a challenge, mainly due to increased safety concerns in the Bab-el-Mandeb Strait and the Red Sea, primarily attributed to the Houthi attacks. This prompted ship owners to divert vessels through Cape of Good Hope. If this trend continues, it's expected to boost demand for tonne-miles and potentially increase freight rates, especially for larger vessel categories such as Cape size and Panamax. This has further added to the pre-existing challenges, such as the reduced water levels in the Panama Canal and trade restrictions.

Bulk carriers which account for 20% of Panama transits has seen a 72% fall.

Since the start of the Red Sea crisis, overall merchant vessel traffic through the Suez Canal has dropped by about 55% on a weekly basis. At the same time Dry Bulkers, Tankers (including Gas Carriers) and Container Ships passing via the Cape of Good Hope increased in count by up to 98%.

## OPERATIONAL REVIEW

Our owned tonnage gave us buoyancy for better performance results during the uncertain market conditions. The last quarter saw a surge in fixtures and the year closed with a profit of USD 1.3 million driven by our focus on our strong trade lanes. ISL has a diversified customer base with a broad cargo mix and diverse geographical footprint. During 2023-24, the Company conducted business with more than 39 different cargo customers, of which 17 were new customers and 15 different commodities with coal being 56% of volume of transported cargo. Our Coastal Shipments on COA as well as Off- COA not only added to our cargo volume but also to our profitability.

Our maiden venture of grain shipments from E.C. South America to China did not go as envisaged due to market fluctuations. Considering the various factors such as volatility in the market, unexpected weather conditions in long voyages and congestions on both ends long Haul cargoes should be backed up with applicable robust Risk Mitigation Plans.

MV ISL Star after the Drydock was chartered out to Messrs. Tongil for about 3 months. During this time, we did Indonesia – China voyage with Coal shipment. Thereafter, in May the vessel was fixed to Load Urea at China to discharge in India. Later, it was engaged for Chettinad Logistics under the COA. After July 2023 the vessel remained and continued carrying about 73000mts of Coal between Paradip – Krishnapatnam. After the introduction of new regulations from January 2023 exempting 20 years and above from trading in Indian coast, it was becoming difficult to employ ISL Star. Hence, in the month of March 2024 it was decided to send the vessel for recycling at Chittagong. So, on March 27th, 2024, the vessel was beached at Chittagong. The recycling process was executed smoothly.

MV Subarnarekha was engaged with the Chettinad COA along the Indian coast during the earlier part of year 2023-2024 when ISL star was in drydock. Later in July, Subarnarekha went to Drydock at China and thereafter vessel was fixed with Klaveness pool and continues to operate with them since August 2024. During this period from August the vessel has been trading within PG-India, South Africa – India trade lanes.

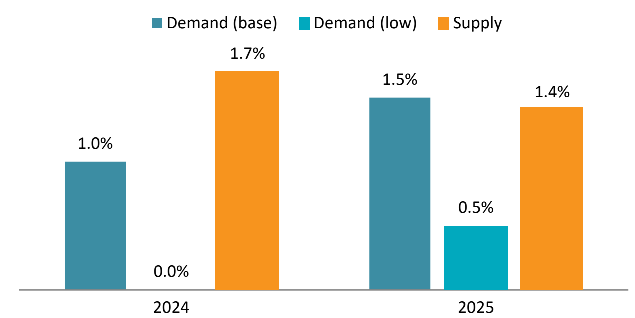
MV Subarnarekha performed well, and the vessel was subjected to Port State Control Inspection (PSC) whereby the vessel reported NIL Deficiencies. The right ship inspection was carried out too and MV Subarnarekha passed with a rating of 4 Stars which reflects good operational maintenance considering the age of the vessel.

We are working towards synergizing with group companies and attempts are continuous to do more cargoes of Tata Steel India, Tata Steel Europe and Tata Chemicals cargoes. We are also trying to collaborate with Tata Steel India on common shipping routes.

On the digitalization and training section, we are in the process of Training our Team on FFA & Bunker Hedging. Additionally, our new software i. e. Ship fix and Market Manager will help in better communication and understanding of markets for taking informed decisions.

Considering the above parameters of dry bulk flows and the growth of tonne days, the year 2024 is expected to remain buoyant. A modest delivery schedule and potential for more demolition are expected to keep fleet growth moderate by historical standards.

**Fleet Supply/Demand Developments**




*Source: BIMCO*

The company has an ambition to further increase the number of vessels under ownership model provided the right market circumstances and opportunities. The company has also invested in new software platforms which would help in better understanding of the market and give more guidance while conducting business. Customer focus is an essential part of growing our business and being a trusted partner will always be the priority. We continue to focus on the retention of customers and improve by continuously focusing on their requirements.

In addition to our existing risk management process and strong operating background ISL with study of FFA and new software platforms we are well-positioned to manage uncertainty and adjust exposure accordingly.

## BOARD OF DIRECTORS

As on date, the Board comprises of the following Directors:

- Mr. Dinesh Shastri (Chairman), Mr. Guenther Hahn (Director), Mr. Virendra Sinha (Director), Mr. Dibyendu Dutta (Director), Mr. Nandan Nandi (Director) and Capt. Som Sekhar Mishra (Director & CEO).

During the year under review, till the preparation of Director's Report, the following changes in the Board of Directors were made:

**Appointment of Directors**

- Mr. Virendra Sinha appointed as a Director on the Board w.e.f 6th April 2023.
- Mr. Dibyendu Dutta appointed as a Director on the Board w.e.f 1st June 2023.
- Capt. Som Sekhar Mishra appointed as Director w.e.f 1st Nov 2023 & CEO w.e.f 30th Nov 2023.

### Cessations of Directors

- Capt. S.R. Patnaik – Director & CEO resigned from the Board w.e.f 30th Nov2023.

During the financial year ended 31st March 2024, 5 (Five) meetings of the Board of Directors of the Company were held.

## AUDITORS

The Auditors of the Company, M/s. Pannell Kerr Forster, Chartered Accountants, have offered themselves for re-appointment.

## ACKNOWLEDGEMENT

The Directors wish to take the opportunity to place on record their sincere appreciation and gratitude for the continued assistance, support and co-operation extended by all the customers, vendors, business partners, Government Authorities, Bankers, TM International Logistics Ltd., the holding company, and other business associates for their continued support during the year. We place on record our appreciation of the contribution made by our employees at all levels.

**For and on behalf of the Board**

**Dinesh Shastri**
(Chairman)

**Capt. Som Sekhar Mishra**
(Director & CEO)

Place: Dubai
Date: 16 April 2024





INTERNATIONAL SHIPPING AND LOGISTICS FZE

# INDEPENDENT AUDITOR'S REPORT

To the Shareholder of **INTERNATIONAL SHIPPING AND LOGISTICS FZE**

## Report on the Audit of the Financial Statements

### Opinion

We have audited the financial statements of INTERNATIONAL SHIPPING AND LOGISTICS FZE (the "Establishment"), which comprise the statement of financial position as at 31 March 2024, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Establishment as at 31 March 2024, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Establishment in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in the U.A.E, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the preparation of the financial statements that give a true and fair view in accordance with IFRSs, and for their compliance with the applicable provision of Jebel Ali Free Zone Companies Implementing Regulations 2016 and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Establishment's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the 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 ISAs 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 financial statements.

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

- Identify and assess the risks of material misstatement of the 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, but not for the purpose of expressing an opinion on the effectiveness of the Establishment's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Establishment'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 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 Establishment to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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.

### Report on Other Legal and Regulatory Requirements

We further confirm that the financial statements comply with the applicable provisions of the Jebel Ali Free Zone Companies Implementing Regulations 2016.

**For PKF**

**Saranga Lalwani**
**Partner**
Registration No. 5468

Dubai
United Arab Emirates
16 April 2024





# NOTES

## International Shipping and Logistics FZE

## Statement of Financial Position as at March 31, 2024

| | Notes | 2024 USD | 2023 USD |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Property, plant and equipment | 6 | 9,906,677 | 16,170,118 |
| Intangible assets | 7 | 11,125 | 14,661 |
| | | **9,917,802** | **16,184,779** |
| **Current Assets** | | | |
| Inventories | 8 | 90,317 | 639,078 |
| Trade and other receivables | 9 | 3,672,062 | 6,605,663 |
| Other current assets | 10 | 392,315 | 700,847 |
| Contract assets | 11 | 487,826 | -- |
| Other financial assets | 13 | 19,221,341 | 25,033,267 |
| Cash and cash equivalents | 14 | 4,451,971 | 3,586,310 |
| | | **28,315,832** | **36,565,165** |
| **Total assets** | | **38,233,634** | **52,749,944** |
| **EQUITY AND LIABILITIES** | | | |
| **Equity** | | | |
| Share capital | 15 | 273,748 | 273,748 |
| Retained earnings | | 32,711,347 | 46,065,074 |
| Other reserve | | (46,742) | (20,461) |
| | | **32,938,353** | **46,318,361** |
| **Non-current liabilities** | | | |
| Provision for staff benefits | 16 | 544,439 | 762,271 |
| **Current liabilities** | | | |
| Contract liabilities | 11 | 134,128 | 1,782,655 |
| Trade and other payables | 17 | 4,388,571 | 3,211,067 |
| Other current liabilities | 18 | 228,143 | 675,590 |
| | | 4,750,842 | 5,669,312 |
| **Total liabilities** | | **5,295,281** | **6,431,583** |
| **Total equity and liabilities** | | **38,233,634** | **52,749,944** |

*The accompanying notes form an integral part of these financial statements.*
*The report of the independent auditor is set forth on pages 1 to 3.*

*Approved and authorised for issue by the Board of Directors on 16 April 2024 and signed on their behalf by Capt. Som Sekhar Mishra.*

**For INTERNATIONAL SHIPPING AND LOGISTICS FZE**

**CEO & DIRECTOR**

As per our report of even date
For **PKF**

**Saranga Lalwani**
Partner
Registration No. 5468



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## International Shipping and Logistics FZE

## Statement of Profit or Loss and Other Comprehensive Income for the Year ended March 31, 2024

| | Notes | 2024 USD | 2023 USD |
|---|---|---|---|
| **Revenue** | 20 | 59,507,624 | 75,740,256 |
| Direct costs | 21 | (54,818,050) | (65,336,993) |
| Gross profit | | 4,689,574 | 10,403,263 |
| Other income | 22 | 525,943 | 79,238 |
| Staff costs | 23 | (2,002,539) | (2,021,738) |
| Depreciation and amortisation | 24 | (2,678,106) | (2,313,846) |
| Other operating expenses | 25 | (631,086) | (522,258) |
| Interest income on deposits | | 1,464,873 | 703,943 |
| Finance cost on defined employee benefit plan | 16(a) | (27,186) | (24,690) |
| **PROFIT FOR THE YEAR** | | **1,341,473** | **6,303,912** |
| **Other comprehensive income:** | | | |
| Other comprehensive income for the year | | | |
| *Items that will not be reclassified subsequently to profit and loss:* | | | |
| Remeasurement gains/(loss) on defined employee benefit plan | | (26,281) | 53,838 |
| Other comprehensive income for the year | | (26,281) | 53,838 |
| **TOTAL COMPREHENSIVE INCOME FOR THE YEAR** | | **1,315,192** | **6,357,750** |

*The accompanying notes form an integral part of these financial statements.*
*The report of the independent auditor is set forth on pages 1 to 3.*

**For INTERNATIONAL SHIPPING AND LOGISTICS FZE**

**CEO & DIRECTOR**

As per our report of even date
For **PKF**

**Saranga Lalwani**
Partner
Registration No. 5468

# International Shipping and Logistics FZE
## Statement of Changes in Equity for the Year ended March 31, 2024

| | Share Capital USD | Retained Earnings USD | Other Reserve USD | Total |
|---|---|---|---|---|
| **Balance at 1 April 2022** | **273,748** | **40,786,609** | **(74,299)** | **40,986,058** |
| Comprehensive income | | | | |
| - Profit for the year | -- | 6,303,912 | -- | **6,303,912** |
| - Other comprehensive income | | | | |
| Items that will not be reclassified subsequently to profit and loss | -- | -- | **53,838** | **53,838** |
| Total comprehensive income for the year | -- | 6,303,912 | **53,838** | **6,357,750** |
| Dividends paid during the year(a) | -- | (1,025,447) | -- | **(1,025,447)** |
| Balance at 31 March 2023 | 273,748 | 46,065,074 | **(20,461)** | **46,318,361** |
| Comprehensive income | | | | |
| - Profit for the year | -- | 1,341,473 | -- | **1,341,473** |
| - Other comprehensive income | | | | |
| Items that will not be reclassified subsequently to profit and loss | -- | -- | **(26,281)** | **(26,281)** |
| Total comprehensive income for the year | -- | 1,341,473 | **(26,281)** | **1,315,192** |
| Dividends paid during the year(a) | -- | (14,695,200) | -- | **(14,695,200)** |
| **Balance at 31 March 2024** | **273,748** | **32,711,347** | **(46,742)** | **32,938,353** |

(a) Dividends declared, approved and paid during the year of USD 14,695,200 (previous year USD 1,025,447) represent a dividend per share of USD 14,695,200 (previous year USD 1,025,447).

The accompanying notes form an integral part of these financial statements.
The report of the independent auditor is set forth on pages 1 to 3.



# International Shipping and Logistics FZE
## Statement of Cash Flows for the Year ended March 31, 2024

| | 2024 USD | 2023 USD |
|---|---|---|
| **Cash flows from operating activities** | | |
| Profit for the year | 1,341,473 | 6,303,912 |
| Adjustments for: | | |
| Depreciation of property, plant and equipment | 2,674,570 | 2,310,879 |
| Amortisation of intangible assets | 3,536 | 2,967 |
| Provision for staff end-of-service benefits | 62,017 | 64,237 |
| Interest income | (1,464,873) | (703,943) |
| Credit balances written back | (169,117) | (60,000) |
| Finance cost on defined employee benefit plan | 27,186 | 24,690 |
| Profit on sale of property, plant and equipment | (24,930) | -- |
| | **2,449,862** | **7,942,742** |
| Changes in: | | |
| - Inventories | 548,761 | (125,626) |
| - Trade and other receivables | 2,766,981 | (4,055,944) |
| - Other current assets | 308,532 | 660,667 |
| - Contract assets | (487,826) | -- |
| - Trade and other payables | 1,346,621 | 695,679 |
| - Other current liabilities | (447,447) | 138,285 |
| - Contract liabilities | (1,648,527) | 800,400 |
| - Other long-term employee benefits | 81,627 | (1,745) |
| Staff end-of-service benefits paid | (414,943) | -- |
| **Net cash from operating activities** | **4,503,641** | **6,054,458** |
| | | |
| **Cash flows from investing activities** | | |
| Proceeds on disposal of property, plant and equipment | 4,939,004 | -- |
| Payments for property, plant and equipment | (1,325,203) | (1,487,259) |
| Payments for intangible assets | -- | (17,628) |
| Decrease/(increase) in fixed deposits | 5,811,926 | (5,012,711) |
| Interest received | 1,631,493 | 309,154 |
| **Net cash from/(used in) investing activities** | **11,057,220** | **(6,208,444)** |
| | | |
| **Cash flows from financing activities** | | |
| Dividends paid | (14,695,200) | (1,025,447) |
| **Net cash used in financing activities** | **(14,695,200)** | **(1,025,447)** |
| | | |
| **Net increase/(decrease) in cash and cash equivalents** | **865,661** | **(1,179,433)** |
| **Cash and cash equivalents at beginning of year** | **3,586,310** | **4,765,743** |
| **Cash and cash equivalents at end of year (note 14)** | **4,451,971** | **3,586,310** |

*The accompanying notes form an integral part of these financial statements.*
*The report of the independent auditor is set forth on pages 1 to 3.*

# International Shipping and Logistics FZE

## Notes to the Financial Statements for the Year ended 31st March 2024

### 1. LEGAL STATUS AND BUSINESS ACTIVITY

a) INTERNATIONAL SHIPPING AND LOGISTICS FZE (the "Establishment") was incorporated on 1 February 2004 in the Jebel Ali Free Zone pursuant to Law No. 9 of 1992 of late H.H. Sheikh Maktoum Bin Rashid Al Maktoum, the former Ruler of Dubai (repealed by Jebel Ali Free Zone Companies Implementing Regulations 2016). The Establishment is a wholly owned subsidiary of T.M. International Logistics Limited, India (the "parent"), which is a joint venture between Tata Steel Limited, India, IQ Martrade Holding and Management GmbH, Dusseldorf, Germany and NYK Holding (Europe) B.V. Netherland. Prior to this, the parent company was a joint venture between Tata Steel Limited, India and IQ Martrade Holding and Management GmbH, Dusseldorf, Germany. The registered office is located at P.O. Box 18490, Dubai, UAE.

b) The Establishment's principal activity is marine related marketing and ship management. During the year, the Establishment has earned revenue from chartering of vessels and transporting marine cargo on behalf of its customers.

c) In the year 2011, the Establishment has registered a branch in Dubai Multi Commodities Centre Authority (DMCC) vide license no. JLT-66168, which operates under the name "International Shipping and Logistics FZE". These financial statements include the assets, liabilities and operating results of this branch.

### 2. BASIS OF PREPARATION

**a) Statement of compliance**

The financial statements are prepared in accordance with International Financial Reporting Standards issued or adopted by the International Accounting Standards Board (IASB) and which are effective for accounting periods beginning 1 April 2023, and the requirements of Jebel Ali Free Zone Companies Implementing Regulations 2016.

**b) Basis of measurement**

The financial statements are prepared using historical cost.

Historical cost is based on the fair value of the consideration given to acquire the asset or cash or cash equivalents expected to be paid to satisfy the liability.

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.

**c) Going concern**

The financial statements are prepared on a going concern basis.

When preparing the financial statements, management makes an assessment of the Establishment's ability to continue as a going concern. The financial statements are prepared on a going concern basis unless management either intends to liquidate the Establishment or to cease operations, or has no realistic alternative but to do so.

**d) Adoption of new International Financial Reporting Standards**

***Standards, amendments, improvements and interpretations effective for the current year***

The following amendments, improvements and interpretations which became effective for current period, did not have any significant impact on the Establishment's financial statements:

- IFRS 17 – Insurance Contracts
- Amendments to IFRS 17 – Insurance Contracts
- Amendments to IAS 1 - Classification of Liabilities as Current or Non-current
- Amendments to IAS 1 and IFRS Practice Statement 2 - Disclosure of Accounting Policies
- Amendments to IAS 8 - Definition of Accounting Estimates
- Amendments to IAS 12 - Deferred Tax related to Assets and Liabilities arising from a Single Transaction
- Amendments to IAS 12 - International Tax Reform – Pillar Two Model Rules

***New and revised IFRSs in issue but not yet effective and not early adopted***

The following amendments, improvements and interpretations that are assessed by management as likely to have an impact on the financial statements, have been issued by the IASB prior to the date the financial statements were authorised for issue, but have not been applied in these financial statements as their effective dates of adoption are for future accounting periods.

- Amendments to IAS 1 – Non-current Liabilities with Covenants (1 January 2024)
- Amendments to IAS 7 and IFRS 7 – Supplier Finance Arrangement (1 January 2024)
- Amendments to IFRS 16 – Lease Liability in a Sale and Leaseback (1 January 2024)
- Amendments to IAS 21 – Lack of Exchangeability (1 January 2025)
- Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture. The amendments address the conflict between IFRS 10 and IAS 28 in dealing with the loss of control of a subsidiary that is sold to an associate or a joint venture (The IASB postponed the effective date of this amendment indefinitely - Early adoption is permitted).
- IFRS S1 General Requirements for Disclosure of Sustainability Related Financial Information and IFRS S2 Climate Related Disclosures (Effective upon adoption by applicable regulatory).



International Shipping and Logistics FZE

Notes to the Financial Statements for the Year ended 31st March 2024

**e) Functional and presentation currency**

Although the currency of the country of domicile is UAE Dirhams ("AED"), these financial statements are presented in US Dollars ("USD") which is considered to be the functional currency of the Establishment.

### 3. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted, and which have been consistently applied are as follows:

**a) Property, plant and equipment**

The property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. The cost less estimated residual value, where material, is depreciated from the date the asset is available for use until it is derecognised, using the straight-line method over the estimated useful lives of the assets as follows:

| | |
|---|---|
| Dry docking costs | 2-3 years |
| Vessels | 1 to 5 years |
| Freehold buildings | 30 years |
| Furniture and fixtures | 5 years |
| Office equipment | 5 years |
| Computers | 4 years |
| Vehicles | 5 years |

Capital work-in-progress is stated at cost less any impairment losses and is not depreciated. This will be depreciated from the date the relevant assets are ready for use.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset as appropriate only when it is probable that future economic benefits associated with the expenditure will flow to the Establishment and such cost can be measured reliably. Such cost includes the cost of replacing part of the property, plant and equipment. When significant parts of property, plant and equipment are required to be replaced at intervals, the Establishment recognises such parts as individual assets with specific useful lives and depreciates them accordingly. The carrying amount of replaced parts is derecognised.

All other repairs and maintenance costs are charged to profit or loss during the financial year in which they are incurred.

Costs related to dry-docking or other major overhauls are recognised in the carrying amount of the vessel. The recognition is made when the dry-docking has been performed and is depreciated based on estimated time to the next class renewal. The remaining costs that do not meet the recognition criteria are expensed as repairs and maintenance.

An assessment of depreciation method, useful lives and residual values is undertaken at each reporting date and, where material, if there is a change in estimate, an appropriate adjustment is made to the depreciation charge.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are recognised within 'other operating income/expenses' in statement of profit or loss.

**b) Intangible assets**

Intangible assets are stated at cost less accumulated amortisation and impairment losses. The cost of computer software is amortised over 5 years.

An assessment of amortisation method and useful lives is undertaken at each reporting date and, where material, if there is a change in estimate, an appropriate adjustment is made to the amortisation charge.

Intangible assets with indefinite useful lives are not amortised as the Establishment does not identify any foreseeable limit on the benefits embodied with such rights. Consequently, these are tested annually for impairment and carried at cost less accumulated impairment losses.

**c) Impairment of tangible and intangible assets**

At each reporting date, the management reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss if any. Where it is not possible to estimate the recoverable amount of an individual asset, the acquirer estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value-in-use. In assessing value-in-use, the estimated future cash flows are 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 asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

## International Shipping and Logistics FZE
### Notes to the Financial Statements for the Year ended 31st March 2024

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

**d) Value added tax**

As per the Federal Decree-Law No. (08) of 2017, Value Added Tax (VAT), is charged at 5% standard rate or 0% (as the case may be) on every taxable supply and deemed supply made by the taxable person.

The Establishment charges and recovers Value Added Tax (VAT) on every taxable supply and deemed supply, in accordance with the applicable commercial VAT laws. Irrecoverable VAT for which Establishment cannot avail the credit is charged to the relevant expenditure category or included in costs of non-current assets. The Establishment files its VAT returns and computes the payable tax (which is output tax less input tax) for the allotted tax periods and deposits the same within the prescribed due dates of filing VAT return and tax payment. VAT receivable and VAT Payable are offset and the net amount is reported in the statement of financial position as the Establishment has a legally enforceable right to offset the recognised amounts and has the intention to settle the same on net basis.

**e) Inventories**

Inventories are stated at the lower of cost and net realisable value. Cost is arrived at using Weighted Average Cost (WAC) method and comprises invoice value plus applicable landing charges less discounts. Net realisable value is based on estimated selling prices less any estimated cost of completion and disposal.

**f) Post-retirement benefits**

The Establishment operates end-of-service benefit plans, which are classified as defined benefit plans.

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Establishment currently operates an unfunded scheme for defined benefits in accordance with the applicable provisions of the UAE Federal Labour Law and is based on periods of cumulative service and levels of employees' final basic salaries. The Establishment's net obligation in respect of defined benefit plan is calculated by estimating the amount of future benefit that employees have earned (i.e. cost of providing benefits by the Establishment) in return for their service in the current and prior periods discounted to determine its present value.

The cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurements comprising actuarial gains and losses, the effect of the asset ceiling (if applicable) are recognised immediately in the statement of financial position with a charge or credit to other comprehensive income in the period in which they occur. Remeasurements recognised in other comprehensive income are not reclassified. Past service cost is recognised in profit or loss when the plan amendment or curtailment occurs, or when the Establishment recognises related restructuring costs or termination benefits, if earlier. Gains or losses on settlement of a defined benefit plan are recognised when the settlement occurs. Interest is calculated by applying a discount rate to the net defined benefit liability or asset. The discount rate is the yield at the valuation date on yield from government bonds in UAE which in the absence of a deep market in corporate bonds within the UAE is the relevant proxy market as determined by the Establishment.

Defined benefit costs are split into three categories:

- Service costs, which includes current service cost, past service cost and gains and losses on curtailments and settlements
- Interest expense
- Remeasurements

The Establishment recognises service costs and finance costs within the statement of profit or loss.

**g) Short-term and other long-term employee benefits**

A liability is recognised for benefits accruing to employees in respect of wages and salaries in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Establishment in respect of services provided by employees up to the reporting date.

**h) Revenue recognition**

The Establishment's principal activity is marine related marketing and ship management. During the year, the Establishment has earned revenue from chartering of vessels and transporting marine cargo on behalf of its customers.

Revenue from contracts with customers is recognised when the control of the services is transferred to the customer at an amount that reflects the consideration to which the Establishment expects to be entitled in exchange for those services.

The Establishment recognises revenue from contracts with customers based on a five-step model as set out in IFRS 15:

1. Identify the contracts with customers: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.
2. Identify the performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a service to the customer.
3. Determine the transaction price: The transaction price is the amount of consideration to which the Establishment expects to be entitled in exchange for transferring promised services to a customer, excluding amounts collected on behalf of third parties.
4. Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Establishment will allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Establishment expects to be entitled in exchange for satisfying each performance obligation.
5. Recognise revenue when (or as) the Establishment satisfies a performance obligation at a point in time or over time.

The Establishment satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

- The customer simultaneously receives and consumes the benefits provided by the Establishment's performance as the Establishment performs; or
- The Establishment's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- The Establishment's performance does not create an asset with an alternative use to the Establishment and the Establishment has an enforceable right to payment for performance completed to date.

The Establishment is required to assess each of its contracts with customers to determine whether performance obligations are satisfied over time or at a point in time in order to determine the appropriate method of recognising revenue.

For performance obligations where one of the above conditions are not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

***Sale of services***

The Establishment provides services that are sold separately. The services can be obtained from other providers and do not significantly modify or customise the services.

The Establishment has concluded that revenue from sale of services should be recognised over time using input method.

***Voyage charter***

Contract with a customer in case of voyage charter is recognized over time when all the following criteria are met:

- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the Establishment;
- The stage of completion of the transaction at the end of the reporting period can be measured reliably; and
- The cost incurred for the transaction and the costs to complete the transaction can be measured reliably.

When the outcome of the transaction cannot be estimated reliably, revenue shall be recognised only to the extent of the expenses recognised that are recoverable.

In case of the voyage charters in progress, the Establishment shall recognize the revenue equal to the expected direct costs proportionate to the voyage days completed. However, in case of owned vessels, entity shall recognize the revenue proportionate to the voyage days completed.

Further, where revenue is recognised in excess of billings, the amount is recognised as contract assets.

Losses on voyages are recognised during the year in which the loss first becomes probable and can be reasonably estimated.

***Time charter***

Revenue under time charter is recognised based on the terms of the time charter agreement and is recognized over time.

***Demurrage income***

Demurrage income represents payments by the customers to the Establishment when loading or discharging time exceeds the stipulated time in the time/voyage charter, and is recognised at a point in time, when services have been performed and there exists no significant uncertainty as to its measurability and collectability.

# International Shipping and Logistics FZE
## Notes to the Financial Statements for the Year ended 31st March 2024

***Commercial management fee***

Commercial management fee charged for managing and monitoring the performance of vessels of a related party is recognised at a point in time, as per terms agreed.

**i) Interest income**

Interest income is recognised as the interest accrues using the effective interest method, under which the rate used exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

**j) Contract assets**

A Contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Establishment performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised from the earned consideration that is conditional. The contract assets are transferred to receivable when the rights become unconditional.

**k) Contract liabilities**

A contract liability is the obligation to transfer goods or services to a customer for which the Establishment has received consideration from the customer. If a customer pays consideration before the Establishment transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Establishment performs under the contract.

**l) Leases**

***As a lessee***

The Establishment leases its office premises. Rental contracts are typically made for fixed periods of 1 year but may have extension options except in case of some office spaces due to the fact that the Establishment could replace them without significant cost or business disruption. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease arrangements do not impose any covenants, however leased assets are not used as security for borrowing purposes.

*Short-term leases*

The Establishment applies the short-term recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases are recognised as expense on a straight-line basis over the lease term.

***As a lessor***

Leases in which the Establishment does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the year in which they are earned.

**m) Cash and cash equivalents**

Cash and cash equivalents comprise cash, bank current accounts, bank deposits free of encumbrance with a maturity date of three months or less from the date of deposit and highly liquid investments with a maturity date of three months or less from the date of investment that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value, net of temporary bank overdraft, if any.

**n) Foreign currency transactions**

Transactions in foreign currencies are translated into US Dollars at the rate of exchange ruling on the date of the transactions.

Monetary assets and liabilities expressed in foreign currencies are translated into US Dollars at the rate of exchange ruling at the reporting date.

Gains or losses resulting from foreign currency transactions are taken to profit or loss.

**o) Provisions**

A provision is recognised when the Establishment has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flow estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of receivable can be measured reliably.






# International Shipping and Logistics FZE
## Notes to the Financial Statements for the Year ended 31st March 2024


*Onerous contract*

An onerous contract is a contract under which the unavoidable costs (i.e., the costs that the Establishment cannot avoid because it has the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it. The cost of fulfilling a contract comprises the costs that relate directly to the contract (i.e., both incremental costs and an allocation of costs directly related to contract activities).

**p) Taxes on income**

Provision for tax is made under the tax laws of India on the basis of results of operations in India, applying tax rates specified in the law of income tax on entities. Any tax liability, that may arise in future on completion of pending tax assessments is not expected to be material and would be paid for and accounted in the financial statements of the year in which the tax assessments are completed.

**q) Contingencies and commitments**

Contingent liabilities are not recognised in the financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognised in the financial statements but disclosed when an inflow of economic benefits is probable.

**r) Current versus non-current classification**

The Establishment presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

The Establishment classifies all other liabilities as non-current.

**s) Financial instruments**

***Classification***

On initial recognition, a financial asset is classified as measured at: amortised cost; debt investment at fair value through other comprehensive income, equity investment at fair value through other comprehensive income; or fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial assets' contractual cash flow characteristics and the Establishment's business model for managing them.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are "solely payments of principal and interest" on the principal amount outstanding. This assessment is performed at an instrumental level.

The Establishment business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cashflows, selling the financial assets, or both.

Financial liabilities are classified as financial liabilities at fair value through profit or loss or at amortised cost. The Establishment determines the classification of its financial liabilities at initial recognition.

***Recognition***

Financial assets and financial liabilities are recognised when, and only when, the Establishment becomes a party to the contractual provisions of the instrument.

***Derecognition***

Financial assets are de-recognised when, and only when,

- The contractual rights to receive cash flows expire or
- The Establishment has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either

  (a) the Establishment has transferred substantially all the risks and rewards of the asset,

  or

  (b) the Establishment has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

# International Shipping and Logistics FZE
## Notes to the Financial Statements for the Year ended 31st March 2024

Financial liabilities are de-recognised when, and only when, they are extinguished i.e. when obligation specified in the contract is discharged, cancelled or expired.

***Measurement***

A financial asset (unless it is a trade receivable without a significant financing component that is initially measured at the transaction price) is initially measured at fair value plus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition. Transactions costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

The following accounting policies apply to the subsequent measurement of financial assets and liabilities.

***Financial assets***

*Financial assets at amortised cost*

Financial assets that meet the following conditions are subsequently measured at amortised cost less impairment loss and deferred income, if any (except for those assets that are designated as at fair value through other comprehensive income on initial recognition) using the effective interest method.

1. the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
2. the contractual terms of the instrument give rise to cash flows on specified dates that are solely payments of principal and profit on the principal amount outstanding.

All other financial assets are subsequently measured at fair value.

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.

The financial assets at amortised cost comprise trade and other receivables, other financial assets and cash and cash equivalents.

***Financial liabilities***

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at fair value through profit or loss.

*Financial liabilities at amortised cost*

Financial liabilities at amortised cost comprise of trade and other payables.

***Impairment of financial assets***

Expected credit losses are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Establishment expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Loss allowances are measured on either of the following basis:

- 12-month expected credit losses: expected credit losses that result from possible default events within 12 months after the reporting date; and
- Lifetime expected credit losses: expected credit losses that result from all possible default events over the expected life of a financial instrument.

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

- Other financial assets, bank balances and other receivables 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.

The Establishment has elected to measure loss allowances for trade receivables at an amount equal to lifetime ECLs. The Establishment applies a simplified approach in calculating expected credit losses. The Establishment does not track changes in credit risk, but instead recognises a loss allowance based on lifetime expected credit losses at each reporting date. The Establishment has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

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

The Establishment assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

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



International Shipping and Logistics FZE
Notes to the Financial Statements for the Year ended 31st March 2024

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

The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Establishment is exposed to credit risk.

At each reporting date, the Establishment 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 assets have occurred.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the asset. For financial assets carried at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income, instead of reducing the carrying amount of the asset.

***Offsetting***

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

***Equity***

Share capital is recorded at the value of proceeds received towards interest in share capital of the Establishment.

**t) Fair value measurement**

The Establishment discloses the fair value of financial instruments measured at amortised cost.

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

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

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

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

## 4. SIGNIFICANT JUDGMENTS EMPLOYED IN APPLYING ACCOUNTING POLICIES

The significant judgments made in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are as follows:

**Classification of financial assets**

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Establishment's business model for managing them.

**Impairment**

At each reporting date, management conducts an assessment of property, plant and equipment and intangible assets to determine whether there are any indications that they may be impaired. In the absence of such indications, no further action is taken. If such indications do exist, an analysis of each asset is undertaken to determine its net recoverable amount and, if this is below its carrying amount, a provision is made.

The Establishment applies expected credit loss model to measure loss allowance in case of financial assets on the basis of 12-month expected credit losses or lifetime expected credit losses depending on credit risk characteristics and how changes in economic factors affect expected credit losses, which are determined on a probability-weighted basis.

**Leases**

*Determining the lease term*

The Establishment determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Establishment has the option, under some of its leases to lease the assets for additional years. The Establishment applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. The Establishment considers all relevant factors that create an economic incentive for it to exercise the renewal.

**Recognition of revenue and allocation of transaction price**

*Identification of performance obligations*

Revenue from time and voyage chartering is recognised over time as performance obligations are fulfilled in accordance with

## International Shipping and Logistics FZE

### Notes to the Financial Statements for the Year ended 31st March 2024

IFRS 15 – Revenue from Contracts with Customers. The timing of revenue recognition is subject to judgement surrounding the costs expected to be incurred in completing the work, as revenue on contracts is recognised on a percentage completion basis.

Revenue from demurrage and commercial management fees are provided as a single component to customers and accordingly it becomes a single performance obligation in respect of the service being provided.

*Determine timing of satisfaction of performance obligation*

The Establishment concluded that revenue from time and voyage chartering is to be recognised over time as the customer simultaneously receives the benefit as the Establishment performs. The fact that another entity would not need to re-perform the service that the Establishment has provided to date demonstrates that the customer simultaneously receives and consumes the benefits of the Establishment's performance as it performs.

The Establishment has determined that the input method is the best method in measuring progress of the time and voyage chartering service because there is a direct relationship between the Establishment's effort and the transfer of service to the customer.

The Establishment concluded that the revenue from demurrage and commercial management fee is to be recognised at a point in time when the service has been provided to the customers.

### 5. KEY SOURCES OF ESTIMATION UNCERTAINTY

Key assumptions made concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are as follows:

**Carrying values of property, plant and equipment**

Residual values are assumed to be zero unless a reliable estimate of the current value can be obtained for similar assets of ages and conditions that are reasonably expected to exist at the end of the assets' estimated useful lives. Depreciation is based on estimates of the vessel's useful life, residual value less the scrapping costs and the depreciation method, which are reviewed by management at each balance sheet date. Any changes in estimated useful life and/or residual value impact the depreciation of the vessel prospectively.

**Impairment**

Assessments of net recoverable amounts of property, plant and equipment and intangible assets are based on assumptions regarding future cash flows expected to be received from the related assets.

**Inventory provisions**

Management regularly undertakes a review of the Establishment's inventory, stated at USD 90,317 (previous year USD 639,078) in order to assess the likely realisation proceeds, taking into account purchase and replacement prices, technological changes, age, likely obsolescence, the rate at which goods are being sold and the physical damage. Based on the assessment assumptions are made as to the level of provisioning required.

**Impairment of financial assets**

The loss allowance for financial assets is based on assumptions about the risk of default and expected loss rates. The management uses judgement in making these assumptions and selecting the inputs to the impairment calculations based on the past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in Note 3(s).

**Valuation of post-retirement benefits**

The present value of the post-retirement benefits is determined using actuarial valuations. An actuarial valuation involves making various assumptions which may differ from actual developments in the future. These include determination of discount rate; future salary increases and mortality rate. Due to the complexity of valuation, the underlying assumptions and its long-term nature, a post-retirement benefit is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.



## International Shipping and Logistics FZE

### Notes to the Financial Statements for the Year ended 31st March 2024

### 6. PROPERTY, PLANT AND EQUIPMENT

| | Capital work-in-progress USD | Dry docking costs USD | Vessels USD | Freehold buildings USD | Furniture and fixtures USD | Office equipment USD | Computers USD | Vehicles USD | Total USD |
|---|---|---|---|---|---|---|---|---|---|
| **Cost** | | | | | | | | | |
| At 1 April 2022 | -- | 996,181 | 20,335,435 | 957,239 | 161,997 | 37,628 | 33,320 | 189,619 | 22,711,419 |
| Additions | 13,700 | 1,467,755 | -- | -- | -- | 1,710 | 4,094 | -- | 1,487,259 |
| At 31 March 2023 | 13,700 | 2,463,936 | 20,335,435 | 957,239 | 161,997 | 39,338 | 37,414 | 189,619 | 24,198,678 |
| Additions | -- | 1,317,250 | -- | -- | 1,824 | 1,779 | 4,350 | -- | 1,325,203 |
| Disposals | -- | (2,463,936) | (8,163,118) | -- | (4,555) | (4,391) | (7,044) | (100,636) | (10,743,680) |
| Transfer | (13,700) | 13,700 | -- | -- | -- | -- | -- | -- | -- |
| **At 31 March 2024** | **--** | **1,330,950** | **12,172,317** | **957,239** | **159,266** | **36,726** | **34,720** | **88,983** | **14,780,201** |
| | | | | | | | | | |
| **Accumulated depreciation and impairment losses** | | | | | | | | | |
| At 1 April 2022 | -- | 765,128 | 4,289,930 | 340,353 | 160,576 | 31,310 | 19,081 | 111,303 | 5,717,681 |
| Depreciation | -- | 353,264 | 1,879,474 | 31,876 | 367 | 2,319 | 5,655 | 37,924 | 2,310,879 |
| At 31 March 2023 | -- | 1,118,392 | 6,169,404 | 372,229 | 160,943 | 33,629 | 24,736 | 149,227 | 8,028,560 |
| Depreciation | -- | 1,078,230 | 1,529,994 | 31,962 | 1,099 | 2,350 | 5,591 | 25,344 | 2,674,570 |
| Adjustment on disposal | -- | (1,928,637) | (3,787,008) | -- | (4,555) | (3,377) | (5,393) | (100,636) | (5,829,606) |
| **At 31 March 2024** | **--** | **267,985** | **3,912,390** | **404,191** | **157,487** | **32,602** | **24,934** | **73,935** | **4,873,524** |
| | | | | | | | | | |
| **Carrying amount** | | | | | | | | | |
| At 1 April 2022 | -- | 231,053 | 16,045,505 | 616,886 | 1,421 | 6,318 | 14,239 | 78,316 | 16,993,738 |
| At 31 March 2023 | 13,700 | 1,345,544 | 14,166,031 | 585,010 | 1,054 | 5,709 | 12,678 | 40,392 | 16,170,118 |
| At 31 March 2024 | -- | 1,062,965 | 8,259,927 | 553,048 | 1,779 | 4,124 | 9,786 | 15,048 | 9,906,677 |

### 7. INTANGIBLE ASSETS

| | Computer Software USD |
|---|---|
| **Cost** | |
| At 1 April 2022 | -- |
| Additions | 17,628 |
| **At 31 March 2023 and 31 March 2024** | **17,628** |
| | |
| **Amortisation** | |
| At 1 April 2022 | -- |
| Amortisation | 2,967 |
| At 31 March 2023 | 2,967 |
| Amortisation | 3,536 |
| **At 31 March 2024** | **6,503** |
| | |
| **Carrying amount** | |
| At 1 April 2022 | -- |
| At 31 March 2023 | 14,661 |
| **At 31 March 2024** | **11,125** |

# International Shipping and Logistics FZE
## Notes to the Financial Statements for the Year ended 31st March 2024

USD

| 8. INVENTORIES | 2024 | 2023 |
|---|---|---|
| Bunkers and lubricants | **90,317** | 639,078 |

USD

| 9. TRADE AND OTHER RECEIVABLES | 2024 | 2023 |
|---|---|---|
| Trade receivables | **4,911,399** | 8,249,907 |
| Less: Allowance for expected credit losses | **(2,235,253)** | (2,235,253) |
| | **2,676,146** | 6,014,654 |
| Deposits | **211,829** | 16,728 |
| Staff advances | **27,097** | 4,867 |
| Interest receivable | **246,932** | 413,552 |
| Other receivables | **510,058** | 155,862 |
| | **3,672,062** | **6,605,663** |

A reconciliation of the movements in the allowance for expected credit losses for trade receivables is as follows:

USD

| | 2024 | 2023 |
|---|---|---|
| Opening balance | **2,235,253** | 3,007,638 |
| Amounts written off | **--** | (772,385) |
| Closing balance | **2,235,253** | **2,235,253** |

The information about credit exposure is disclosed in note 26.

USD

| 10. OTHER CURRENT ASSETS | 2024 | 2023 |
|---|---|---|
| Prepayments | **66,827** | 156,012 |
| Advance for goods and services | **248,333** | 467,680 |
| Advance tax | **77,155** | 77,155 |
| | **392,315** | **700,847** |

USD

| 11. CONTRACT ASSETS/LIABILITIES | 2024 | 2023 |
|---|---|---|
| Contract assets relating to voyage contracts | **487,826** | -- |
| | | |
| Disclosed as: | | |
| Current contract assets | **487,826** | -- |
| | | |
| Contract liabilities relating to advance received to fulfil voyage contracts | **134,128** | 1,782,655 |
| | | |
| Disclosed as: | | |
| Current contract liabilities | **134,128** | **1,782,655** |

## 12. RELATED PARTIES

The Establishment enters into transactions with entities that fall within the definition of a related party as contained in International Accounting Standard 24. The management considers such transactions to be in the normal course of business and are at price determined by the management.

Related parties with whom transactions were entered and balances appeared comprise the parent company, the ultimate parent company, directors, companies under common ownership/management control, fellow subsidiaries and key management personnel.





TMILL Group

# International Shipping and Logistics FZE
## Notes to the Financial Statements for the Year ended 31st March 2024

At the reporting date significant balances with companies under common ownership/ management control was as follows:

USD

| | 2024 | 2023 |
|---|---|---|
| Included in trade receivables | **415,467** | -- |

Significant transactions with related parties during the year were as follows:

| | Ultimate parent company USD | Parent company USD | Fellow subsidiaries USD | Companies under common ownership/ management control USD | Directors/ key management personnel USD | Total 2024 USD | Total 2023 USD |
|---|---|---|---|---|---|---|---|
| Ocean freight income | -- | -- | -- | 1,825,420 | -- | **1,825,420** | |
| | 1,587,340 | -- | -- | -- | -- | | 1,587,340 |
| Services received (Direct costs) | -- | 4,017 | 4,000 | -- | -- | **8,017** | |
| | 46,942 | 8,500 | -- | -- | -- | | 55,442 |
| Services received (Indirect costs) | -- | 65,535 | 94,507 | -- | -- | **160,042** | |
| | -- | 86,485 | 74,890 | -- | -- | | 161,375 |
| Reimbursement of expenses for services rendered (included in revenue) | -- | -- | -- | -- | -- | **--** | |
| | -- | -- | 1,695,543 | -- | -- | | 1,695,543 |
| Reimbursement of expenses (included in direct costs) | -- | 382,381 | -- | -- | -- | **382,381** | |
| | -- | 768,317 | -- | -- | -- | | 768,317 |
| Reimbursement of expenses for services received (included in operating expenses) | -- | 28,427 | -- | -- | -- | **28,427** | |
| | -- | -- | -- | -- | -- | | -- |
| Reimbursement of expenses for services rendered (included in other operating expenses) | -- | 2,093 | 1,688 | -- | -- | **3,781** | |
| | -- | -- | 1,628 | -- | -- | | 1,628 |
| Dividends paid | | 14,695,200 | | | | **14,695,200** | |
| | | 1,025,447 | -- | -- | -- | | 1,025,447 |
| Directors' fees, remuneration and benefits(a) | -- | -- | -- | -- | 641,838 | **641,838** | |
| | -- | -- | -- | -- | 383,608 | | 383,608 |

(a) Include staff end-of-service gratuity and Director's sitting fees.

Certain administrative services are availed from a related party as per agreed rates.

USD

| 13. OTHER FINANCIAL ASSETS | 2024 | 2023 |
|---|---|---|
| At amortised cost: | | |
| Fixed deposits | **19,221,341** | **25,033,267** |

USD

| 14. CASH AND CASH EQUIVALENTS | 2024 | 2023 |
|---|---|---|
| Cash on hand | **5,450** | 1,219 |
| Bank balances: | | |
| Current accounts | **3,446,521** | 2,585,091 |
| Fixed deposits | **1,000,000** | 1,000,000 |
| | **4,451,971** | **3,586,310** |

# International Shipping and Logistics FZE
## Notes to the Financial Statements for the Year ended 31st March 2024

USD

| 15. SHARE CAPITAL | 2024 | 2023 |
|---|---|---|
| **Issued and paid up:** | | |
| 1 share of AED 1,000,000 (translated to USD at the fixed exchange rate of AED 3.653 = USD 1.00) | **273,748** | **273,748** |

USD

| 16. PROVISION FOR STAFF BENEFITS | 2024 | 2023 |
|---|---|---|
| Post-retirement benefits[(a)] | 441,073 | 740,532 |
| Other long-term employee benefits | 103,366 | 21,739 |
| | **544,439** | **762,271** |
| | | |
| **(a) POST-RETIREMENT BENEFITS** | | |
| **Unfunded – Post retirement staff end-of-service benefits:** | | |
| Details of the staff end-of-service benefits are as follows: | | |
| Opening obligation | 740,532 | 705,443 |
| Current service cost | 62,017 | 64,237 |
| Interest cost | 27,186 | 24,690 |
| Actuarial loss/(gain) | 26,281 | (53,838) |
| Benefits paid | (414,943) | -- |
| **Closing balance** | **441,073** | **740,532** |
| | | |
| Amounts recognised in the statement of profit or loss | | |
| Current service cost | 62,017 | 64,237 |
| Interest cost | 27,186 | 24,690 |
| | **89,203** | **88,927** |
| | | |
| Amounts recognised in the other comprehensive income | | |
| Actuarial loss due to experience adjustments | 39,283 | 37,030 |
| Actuarial gain due to financial assumptions | (13,002) | (90,868) |
| | **26,281** | **(53,838)** |
| | | |
| Significant actuarial assumptions | | |
| a. Discount rate | 5.40% | 5.10% |
| b. Rate of salary increase | 5.00% for the first two years; 4.5% thereafter | 5.00% for the first three years; 4.50% thereafter |
| c. Mortality rate | Indian Assured Lives Mortality (2006-08) ult | Indian Assured Lives Mortality (2006-08) ult |
| | | |
| **Sensitivity analysis** | | |
| Discount rate | | |
| - Effect due to 1% increase | (39,853) | (200,672) |
| - Effect due to 1% decrease | 45,421 | 225,165 |
| | | |
| Salary escalation rate | | |
| - Effect due to 1% increase | 45,349 | 223,971 |
| - Effect due to 1% decrease | (40,515) | (203,342) |





# International Shipping and Logistics FZE
## Notes to the Financial Statements for the Year ended 31st March 2024

USD

| 17. TRADE AND OTHER PAYABLES | 2024 | 2023 |
|---|---|---|
| Trade payables | **1,828,054** | 962,498 |
| Accruals | **19,040** | 18,641 |
| Other payables | **2,541,477** | 2,229,928 |
| | **4,388,571** | **3,211,067** |

The entire trade and other payables are due for payment in within one year from the reporting date.

USD

| 18. OTHER CURRENT LIABILITIES | 2024 | 2023 |
|---|---|---|
| Staff accruals | **223,123** | 670,120 |
| Rent received in advance | **3,857** | 4,402 |
| VAT payable (net) | **1,163** | 1,068 |
| | **228,143** | **675,590** |

### 19. MANAGEMENT OF CAPITAL

The Establishment's objectives when managing capital are to ensure that the Establishment continues as a going concern and to provide the shareholder with a rate of return on its investment commensurate with the level of risk assumed.

Capital, which is unchanged from the previous year, comprises equity funds as presented in the statement of financial position. Debt comprises total amounts owed by the Establishment, net of cash and cash equivalents.

The Establishment is not subject to externally imposed capital requirements.

Funds generated from internal accruals together net of dividend declared if any are retained in the business to maintain capital at desired levels.

### 20. REVENUE

The Establishment generates revenue from the transfer of services over time and at a point in time. The disaggregated revenue from contracts with customers by geographical segments, service lines, timing of revenue recognition and sales channel are presented below. The management believes that this best depicts the nature, amount, timing and uncertainty of the Establishment's revenue and cash flows.

USD

| | 2024 | 2023 |
|---|---|---|
| **Primary Geographical segments** | | |
| – UAE | **10,528,902** | 9,476,069 |
| – Asian countries | **39,408,150** | 49,554,548 |
| – American countries | **--** | 6,250,477 |
| – African countries | **2,128,240** | 1,978,829 |
| – Europe | **7,442,332** | 8,480,333 |
| | **59,507,624** | 75,740,256 |
| **Major service lines** | | |
| – Time chartering | **4,795,520** | 5,812,906 |
| – Voyage chartering | **54,712,104** | 69,927,350 |
| | **59,507,624** | 75,740,256 |
| **Timing of revenue recognition** | | |
| – At a point in time | **2,510,881** | 4,647,373 |
| – Over time | **56,996,743** | 71,092,883 |
| | **59,507,624** | 75,740,256 |
| **Sales channel** | | |
| – Third party vessels | **48,748,461** | 60,144,157 |
| – Owned vessels | **10,759,163** | 15,596,099 |
| | **59,507,624** | **75,740,256** |

# International Shipping and Logistics FZE
## Notes to the Financial Statements for the Year ended 31st March 2024

USD

| 21. DIRECT COSTS | 2024 | 2023 |
|---|---|---|
| Vessel hire charges | **24,525,287** | 32,651,932 |
| Bunkering costs | **13,528,674** | 14,165,865 |
| Direct costs on owned vessels | **6,715,229** | 8,199,029 |
| Other direct costs | **10,048,860** | 10,320,167 |
| | **54,818,050** | **65,336,993** |

USD

| 22. OTHER INCOME | 2024 | 2023 |
|---|---|---|
| Profit on sale of property, plant and equipment | **24,930** | -- |
| Credit balances written back | **169,117** | 60,000 |
| Rental income | **22,382** | 18,604 |
| Miscellaneous income | **309,514** | 634 |
| | **525,943** | **79,238** |

USD

| 23. STAFF COSTS | 2024 | 2023 |
|---|---|---|
| Directors' fees, remuneration and benefits | **623,046** | 359,539 |
| Staff salaries and benefits | **1,317,476** | 1,597,962 |
| Staff end-of-service gratuity[(a)] | **62,017** | 64,237 |
| | **2,002,539** | **2,021,738** |

(a) This includes USD 18,792 (previous year USD 24,069) pertaining to a director.

USD

| 24. DEPRECIATION AND AMORTISATION | 2024 | 2023 |
|---|---|---|
| Depreciation of property, plant and equipment (note 6) | **2,674,570** | 2,310,879 |
| Amortisation of intangible assets (note 7) | **3,536** | 2,967 |
| | **2,678,106** | **2,313,846** |

USD

| 25. OTHER OPERATING EXPENSES | 2024 | 2023 |
|---|---|---|
| Short-term lease expenses | **19,102** | 19,091 |
| Other operating expenses | **611,984** | 503,167 |
| | **631,086** | **522,258** |

### 26. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

**Financial instruments**

***Classification and fair values***

The net carrying amounts as at the reporting date of financial assets and financial liabilities are as follows: USD

| Financial assets | At amortised cost | |
|---|---|---|
| | 2024 | 2023 |
| Other financial assets | 19,221,341 | 25,033,267 |
| Trade and other receivables | 3,672,062 | 6,605,663 |
| Cash and cash equivalents | 4,451,971 | 3,586,310 |
| | **27,345,374** | **35,225,240** |
| **Financial liabilities** | | |
| Trade and other payables | **4,388,571** | 3,211,067 |



# International Shipping and Logistics FZE
## Notes to the Financial Statements for the Year ended 31st March 2024

***Fair value measurement and disclosures***

The management assesses the fair values of all its financial assets and financial liabilities at each reporting date.

The fair values of cash and cash equivalents, trade and other receivables, other financial assets and trade and other payables approximate their carrying amounts largely due to the short-term maturities of these instruments.

**Financial risk management**

***Risk management objectives***

Risk is inherent in the Establishment's activities but is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Establishment's continuing profitability. The Establishment's risk management focusses on actively securing short to medium term cash flows by minimizing the exposure to financial markets.

The primary risks to which the operations of the Establishment are exposed, which are unchanged from the previous year, comprise credit risks and market risk (including currency risks, cash flow interest rate risks and fair value interest rate risks).

The management of the Establishment reviews and agrees policies for managing each of these risks which are summarised below:

**Credit risk**

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

Credit risk is managed by assessing the creditworthiness of potential customers and the potential for exposure to the market in which they operate, combined with regular monitoring and follow-up.

Financial assets that potentially expose the Establishment to concentrations of credit risk comprise principally cash and cash equivalents, other financial assets and trade and other receivables.

The Establishment's bank accounts are placed with high credit quality financial institutions and hence have low credit risk.

Other financial assets represent investments in deposits which are placed with high credit quality financial institutions.

The management assesses the credit risk arising from trade and other receivables taking into account their financial position, past experience and other factors. Based on the assessment individual risk limits are determined.

At the reporting date, the Establishment's maximum exposure to credit risk from such receivables situated outside the UAE is as follows:

USD

| | 2024 | 2023 |
|---|---|---|
| Asian countries | **4,660,586** | **5,932,648** |

At the reporting date 85% of trade receivables were due from 3 customers (previous year 64% due from 4 customers).

Significant concentration of credit risk by industry are as follows:

| | 2024 | 2023 |
|---|---|---|
| Minerals | 2,923,567 | 3,881,897 |
| Ball Clay | -- | 1,260,007 |
| Coal | 1,958,145 | 3,043,942 |

The Establishment uses an allowance matrix to measure the expected credit losses of trade receivables, which comprise a number of balances. Loss rates are calculated using a 'flow rate' method based on the probability of a receivable progressing through successive stages of delinquency to write-off. Flow rates are calculated separately for exposures in different segments based on the following common credit risk characteristics – geographic region, age of customer relationship and type of service availed.

The following table provides information about the exposure to credit risk and expected credit losses for trade receivables from customers as at the reporting date.

| | Loss rate | | Gross carrying amount | | Loss allowance | |
|---|---|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| | % | % | USD | USD | USD | USD |
| Not past due | **0.00%** | 0.00% | 1,295,174 | 3,139,552 | -- | -- |
| 0-12 months due | **0.00%** | 0.00% | 1,380,972 | 2,875,102 | --- | -- |
| More than 2 years due | **100.00%** | 100.00% | 2,235,253 | 2,235,253 | 2,235,253 | 2,235,253 |
| | | | **4,911,399** | **8,249,907** | **2,235,253** | **2,235,253** |

International Shipping and Logistics FZE
Notes to the Financial Statements for the Year ended 31st March 2024

Loss rates are based on actual credit loss experience over the past 3 years. These rates are multiplied by scalar factors to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Establishment's view of economic conditions over the expected lives of the receivables.

**Liquidity risk**
Liquidity risk is the risk that the Establishment may encounter difficulty in meeting financial obligations due to shortage of funds. The Establishment's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and financial liabilities.

The Establishment's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Establishment's reputation. The Establishment manages liquidity risk by monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The table below summarises the maturities of the Establishment's undiscounted financial liabilities at the reporting date, based on contractual payment dates and current market interest rates.

*USD*

| | Less than one year | |
|---|---|---|
| | 2024 | 2023 |
| Trade and other payables | **4,388,571** | 3,211,067 |

**Market risk**
Market risk is the risk that the changes in market prices, such as foreign currency exchange rates, interest rates and prices, will affect the Establishment's income or the value of its holdings of financial instrument. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the returns.

**Currency risk**
Currency risk is the risk that the values of financial instruments will fluctuate because of changes in foreign exchange rates.

The Establishment enters into transactions in foreign currencies. Exposure is minimised where possible by denominating such transactions in US Dollars to which the UAE Dirhams is pegged.

There are no significant exchange rate risks as substantially all financial assets and financial liabilities are denominated in US Dollars or UAE Dirham which have fixed exchange rate parity with the US Dollar.

**Interest rate risk**
Interest rate risk is the risk that the value of financial instruments will fluctuate because of changes in market interest rates.

Fixed deposit accounts are subject to fixed interest rates at levels generally obtained in the UAE and are therefore exposed to fair value interest rate risk.

## 27. VESSEL HIRE COMMITMENTS

The Establishment has entered into non-cancellable vessel charter agreement for which the future minimum hire payments to be made are as follows:

*USD*

| | 2024 | 2023 |
|---|---|---|
| Not later than one year | **723,984** | 898,424 |

## 28. VESSEL HIRE PERFORMANCE OBLIGATIONS

The Establishment has entered into non-cancellable operating hire agreements for chartering vessels. The total minimum hire income to be received is as follows:

*USD*

| | 2024 | 2023 |
|---|---|---|
| Not later than one year | **1,114,750** | -- |

## 29. CONTINGENT LIABILITIES

*USD*

| | 2024 | 2023 |
|---|---|---|
| Income-tax demand | **1,260** | 1,260 |

The above income tax demand represents the demand from the Indian income tax authorities against additional tax of USD 1,260 pertaining to assessment years 2010-11, 2012-13 and 2014-15.

## 30. SIGNIFICANT EVENTS

**Corporate tax**
On 9 December 2022, the UAE Ministry of Finance released the Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses (the 'CT Law') to enact a Federal corporate tax ('CT') regime in the UAE. The CT Law is effective for the financial years beginning on or after 1 June 2023. Decision No. 116 of 2022 specifies the threshold of income (as AED 375,000) over which a corporate tax of 9% would apply and accordingly, the CT Law is now considered to be substantively enacted.

For the Establishment, current taxes shall be accounted for as appropriate in the financial statements for the accounting period beginning on or after 1 April 2024. In accordance with IAS 12 Income Taxes, the related deferred tax accounting impact has been considered for the financial year ended 31 December 2023.





International Shipping and Logistics FZE
Notes to the Financial Statements for the Year ended 31st March 2024

Based on the information available to date, the Establishment has assessed the deferred tax implications for the year ended 31 December 2023 and, after considering its interpretations of applicable tax law, official pronouncements, cabinet decisions and ministerial decisions (especially with regard to transition rules), it has been concluded that deferred tax implications are not expected to be material.

The Establishment shall continue to monitor critical Cabinet Decisions to determine the impact on the Establishment, from deferred tax perspective.

**For INTERNATIONAL SHIPPING AND LOGISTICS FZE**

**CEO & DIRECTOR**

As per our report of even date
For **PKF**

**Saranga Lalwani**
Partner
Registration No. 5468

# NOTES

# TKM Global GmBH

Statutory Reports & Financial Statements

## TKM GLOBAL GMBH
# CORPORATE INFORMATION

**Board of Directors**

As on 1st April, 2024

**Directors**

Mr. Amar Patnaik- Managing Director (Geschaeftsfuehrer)

**Registered Office**

Finland House
Esplanade 41, 20354 Hamburg
Germany

Tel: +49 40 238802 15
Fax: +49 40 238802 79

**Management Team**

Mr. Gerhard Schiefer- General Manager (Prokurist)

**Auditors**

M/s. BDO, Germany

**Bankers**

Commerzbank
State Bank of India





## TKM GLOBAL GMBH
# DIRECTOR'S REPORT

*TO THE MEMBERS,*

I have pleasure in presenting the business and operations of the Company along with the Audited Statement of Accounts for the year ended 31st March, 2024.

**FINANCIAL RESULTS:**

| Sl No. | Particulars | 31.03.2024 Amount in INR | 31.03.2024 Amount in EUR | 31.03.2023 Amount in INR | 31.03.2023 Amount in EUR |
|---|---|---|---|---|---|
| (a) | Total Income | 1.186.353.869 | 13.239.079 | 742.976.941 | 8.291.228 |
| (b) | Less: Operating and Administrative Expenses | 1.030.598.158 | 11.500.928 | 655.449.477 | 7.314.468 |
| **(c)** | **Profit before taxes (PBT)** | **155.755.711** | **1.738.151** | 87.527.464 | 976.761 |
| (d) | Less: taxes (including deferred taxes) | 45.320.795 | 505.756 | 28.605.841 | 319.226 |
| **(e)** | **Profit after taxes (PAT)** | **110.435.006** | **1.232.396** | 58.9221.623 | 657.535 |

### Market overview for the period

The disruptions in supply chain saw new frontiers. The continued war in Ukraine which already had its adverse impact on the global economy and on shipping and logistics, in particular, was further aggravated by the Red Sea crisis. The new crisis resulted in ships taking the circuitous CGH route which has created a potential to affecting supply chain even more than during the COVID period.

The container freight market which had dropped at the beginning of the year went up by approx. 20%. Carriers are using this crisis to try and push up the freight rate resorting to several other mechanics, among them blank sailings and laying idle available capacity. There are long waiting period to get space and equipment. The Red Sea crisis and the change in shipping route is estimated to push demand of containers by up to 1.6 million TEU´s.

Global supply chain reliability remains at a low level of approx. 60%.

On the shore side operations, there are frequent strike and labour unrest in several ports across the globe, more notably in ports of the Americas, Europe and Australia adding to the list of challenges the industry faces.

Due to disruptions in container shipping and the longer transit time via the cape of good hope, many shippers have resorted to opting for the air freight options for critical deliveries. This has pushed up the demand for air cargo resulting in waiting time to get space on aircrafts. It has also impacted the air freight rates with upwards movement.

The German labour market in general and the logistic market in specific continues to remain extremely tight. The year saw steep rise in logistics personnel labour cost much beyond national wage growth. The situation is expected to continue during the next financial year.

### OPERATIONAL REVIEW

Revenue achieved during the year (inspite of an 80% fall in market rate from the time the ABP was made), was 210 % over the planned figure.

Total Revenue of Euro 13.239.079 (Rs. 1.186.353.869) as compared to 8.291.228 (RS 742.976.941) during the previous year.

Total breakbulk cargoes handled was 61760FRT. This was considerably higher than planned figure of 20000FRT.

Container volume at over 2500 TEU's was slightly above the planned for the year as well as the more than the previous year.

Airfreight at 1096205 kgs was achievable due to several charter requirement on account of JLR. Taking the charter flights out of the achieved air freight volume, we have achieved 98.74% of planned volumes.

The Contribution from operations (all products combined) stood at EUR 3.449.932 (Rs.309.148.404) with the corresponding EBT for the year at EUR 1.738.151 (Rs.155.755.710) was 129% of the planned for the year.

### Employee productivity

The lean team continued to further increase their productivity reflecting both in the operating and the financial numbers. The turnover per employee was approx. EUR 1.891.297 (Rs.169.479.123) for the year with an operating productivity of approx. 400 shipments per employee per annum, with a total of over 2700 shipments handled during FY23-24. In USD terms, the per employee Revenue exceeded approx. USD 2,000,000 with a commensurate per employee contribution of approx. USD 525,000.

## OPPORTUNITIES AND THREATS

i. Logistic remains a top priority for every CEO who aspire to build a resilient supply chain.

ii. Post COVID reorganization of supply chain models are in play with more and more companies looking for near shoring their supply base. However, dependence on China continues with minimal development in alternative supplier base in third countries.

iii. Integrated solution offering backed by data-based analytics to drive business demands. Digital fitness a demand of the business.

iv. Competitors are fast adapting to new technologies, automation and AI, which fuels changes in the market, agility in decision making. Adoption and adaptation to the same are a need for survival.

v. Impact of fuel price hike and future energy cost increase leads to drop in contribution as the entire cost increase is not being passed to the customer.

## EMPLOYEE RELATIONS

The Company continued to maintain excellent and cordial Employee Relationship and concerted efforts were put in to maintain Harmony and Peace. The Company expresses its appreciation for the dedication, commitment and sincere hard work rendered by the employees throughout the year without which the operating and financial results would not have been possible to achieve.

## DIRECTORS

As on 31st March 2024, Mr. Amar Patnaik continued to be the 'Geschaeftsfuehrer' (Managing Director) and Mr. Gerhard Schiefer as the 'Prokurist' (General Manager) of the Company.

## AUDITORS

M/s. Moore BRL GmbH are the Statutory Auditors of the Company.

## AUDIT OBSERVATIONS & EXPLANATIONS/COMMENTS BY THE BOARD

No qualification, reservation or adverse remark or disclaimer have been made by the Auditors in their report.

## ACKNOWLEDGEMENT

I wish to take the opportunity to place on record my appreciation for the continued assistance, support and co-operations extended by our partners, agents and valued service providers.

**For TKM Global GmbH**

**Amar Patnaik**
Geschaeftsfuehrer
(Managing Director)
DIN:02730170

Date:11 April 2024
Place: Hamburg, Germany





# TKM GLOBAL GMBH
# INDEPENDENT AUDITOR`S REPORT

### To TKM Global GmbH

### Opinion

1. In our opinion the accompanying financial reporting, which comprises the balance sheet as at March 31, 2024, and the income statement, statement of changes in equity and cash flow statement for the year then ended and notes to the financial reporting, including a summary of significant accounting policies has been prepared, in all material respects, in conformity with the TM International Logistic Limited group's accounting policies, which are in keeping with the accounting principles generally accepted in India.

### Basis for Opinion

2. We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor`s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial reporting in Germany, and we have fulfilled our other responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to pro- vide a basis for our opinion.

### Management's Responsibility for the financial reporting

3. The Company's Management is responsible for the preparation and presentation of the financial reporting that gives a true and fair view of the financial position, financial performance and cash flows of the Company, in accordance with the TM International Logistic Limited group's accounting policies for the financial year ended March 31, 2024. This responsibility includes maintenance of adequate accounting records 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 relevant to the preparation and presentation of the financial reporting that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

### Auditors' Responsibility for the Audit of the Financial Reporting

5. Our objectives are to obtain reasonable assurance about whether the financial reporting 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 ISAs 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 the financial reporting.

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

   - Identify and assess the risks of material misstatement of the financial reporting, 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, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
   - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
   - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial reporting 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.

7. 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.

**Restriction of use**

8. This report is intended solely for the use of TKM Global GmbH and its parent company TKM Global Logistics Limited and should not be used by any other person or for any other purpose. We do not accept or assume any liability or duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

April 24th, 2024 **Moore BRL GmbH**





# TKM GLOBAL GMBH
# GENERAL ENGAGEMENT TERMS

**for**

**Wirtschaftspruferinnen, Wirtschaftsprufer and Wirtscha ftsprufungsgesellschaften**

**[German Public Auditors and Public Audit Firms] as of January 1, 2024**

## 1. Scope of application

(1) These engagement terms apply to contracts between German Public Auditors (WirtschaftsprOferinnen/WirtschaftsprOfer) or German Public Audit Firms (WirtschaftsprOfungsgesellsch aften) - hereinafter collectively referred to as "German Public Auditors" - and their engaging parties for assurance services, tax advisory services, advice on business matters and other engagements except as otherwise agreed in writing (Textform) or prescribed by a mandatory rule.

(2) Third parties may derive claims from contracts between German Public Auditors and engaging parties only when this is agreed or results from mandatory rules prescribed by law. In relation to such claims, these engagement terms also apply to these third parties. A German Public Audi tor is also entitled to invoke objections (Einwendungen) and defences (Einreden) arising from the contractual relationship with the engaging party to third parties.

## 2. Scope and execution of the engagement

(1) Object of the engagement is the agreed service - not a particular economic result. The engagement will be performed in accordance with the German Principles of Proper Professional Conduct (Grundsatze ord nungsmall,iger BerufsausObung). The German Public Auditor does not assume any management functions in connection with his services. The German Public Auditor is not responsible for the use or implementation of the results of his services. The German Public Auditor is entitled to make use of competent persons to conduct the engagement.

(2) Except for assurance engagements (betriebswirtschaftliche PrOfun gen), the consideration of foreign law requires an express agreement in writing (Textform).

(3) If circumstances or the legal situation change subsequent to the release of the final professional statement, the German Public Auditor is not obligated to refer the engaging party to changes or any consequences resulting therefrom.

## 3. The obligations of the engaging party to cooperate

(1) The engaging party shall ensure that all documents and further information necessary for the performance of the engagement are provided to the German Public Auditor on a timely basis, and that he is informed of all events and circumstances that may be of significance to the performance of the engagement. This also applies to those documents and further information, events and circumstances that first become known during the German Public Auditor's work. The engaging party will also designate suitable persons to provide information.

(2) Upon the request of the German Public Auditor, the engaging party shall confirm the completeness of the documents and further information submitted as well as the explanations and statements provided in statement as drafted by the German Public Auditor or in a legally accepted written form (gesetzliche Schriftform) or any other form determined by the German Public Auditor.

## 4. Ensuring independence

(1) The engaging party shall refrain from anything that endangers the independence of the German Public Auditor's staff. This applies through out the term of the engagement, and in particular to offers of employment or to assume an executive or non-executive role, and to offers to accept engagements on their own behalf.

(2) Were the performance of the engagement to impair the independence of the German Public Auditor, of related firms, firms within his network, or such firms associated with him, to which the independence requirements apply in the same way as to the German Public Auditor in other engagement relationships, the German Public Auditor is entitled to terminate the engagement for good cause.

## 5. Reporting and oral information

To the extent that the German Public Auditor is required to present results in a legally accepted written form (gesetzliche Schriftform) or in writing (Textform) as part of the work in executing the engagement, only that presentation is authoritative. Draft of such presentations are non-binding. Except as otherwise provided for by law or contractually agreed, oral statements and explanations by the German Public Auditor are binding only when they are confirmed in writing (Textform). Statements and in formation of the German Public Auditor outside of the engagement are always non-binding.

## 6. Distribution of, a German Public Auditor's professional statement

(1) The distribution to a third party of professional statements

of the German Public Auditor (results of work or extracts of the results of work whether in draft or in a final version) or information about the German Public Auditor acting for the engaging party requires the German Public Auditor's consent be issued in writing (Textform), unless the engaging party is obligated to distribute or inform due to law or a regulatory requirement.

(2) The use by the engaging party for promotional purposes of the German Public Auditor's professional statements and of information about the German Public Auditor acting for the engaging party is prohibited.

### 7. Deficiency rectification

(1) In case there are any deficiencies, the engaging party is entitled to specific subsequent performance by the German Public Auditor. The engaging party may reduce the fees or cancel the contract for failure of such subsequent performance, for subsequent non-performance or unjustified refusal to perform subsequently, or for unconscionability or impossibility of subsequent performance. If the engagement was not commissioned by a consumer, the engaging party may only cancel the contract due to a deficiency if the service rendered is not relevant to him due to failure of subsequent performance, to subsequent non-performance, to unconscionability or impossibility of subsequent performance. No. 9 applies to the extent that further claims for damages exist.

(2) The engaging party must assert a claim for subsequent performance (NacherfOllung) in writing (Textform) without delay. Claims for subsequent performance pursuant to paragraph 1 not arising from an intentional act expire after one year subsequent to the commencement of the time limit under the statute of limitations.

(3) Apparent deficiencies, such as clerical errors, arithmetical errors and deficiencies associated with technicalities contained in a German Public Auditor's professional statement (long-form reports, expert opinions etc.) may be corrected - also versus third parties - by the German Public Auditor at any lime. Misstatements which may call into question the results contained in a German Public Auditor's professional statement entitle the German Public Auditor to withdraw such statement - also versus third parties. In such cases the German Public Auditor should first hear the engaging party, if practicable.

### 8. Confidentiality towards third parties, and data protection

(1) Pursuant to the law (§ [Article] 323 Abs 1 [paragraph 1] HGB [German Commercial Code: Handelsgesetzbuch], § 43 WPO [German Law regulating the Profession of WirtschaftsprOfer: Wirtschaftspr(lferordnung], § 203 StGB [German Criminal Code: Strafgesetzbuch]) the German Pub lic Auditor is obligated to maintain confidentiality regarding facts and cir cumstances confided to him or of which he becomes aware in the course of his professional work, unless the engaging party releases him from this confidentiality obligation.

(2) When processing personal data, the German Public Auditor will observe national and European legal provisions on data protection.

### 9. Liability

(1) For legally required services by German Public Auditors, in particular audits, the respective legal limitations of liability, in particular the limitation of liability pursuant to § 323 Abs. 2 HGB, apply.

(2) Insofar neither a statutory limitation of liability is applicable, nor an individual contractual limitation of liability exists, claims for damages due to negligence arising out of the contractual relationship between the engaging party and the German Public Auditor, except for damages resulting from injury to life, body or health as well as for damages that constitute a duty of replacement by a producer pursuant to§ 1 ProdHaftG [German Product Liability Act: Produkthaftungsgesetz], are limited to€ 4 million pursuant to§ 54 a Abs. 1 Number 2 WPO. This applies equally to claims against the German Public Auditor made by third parties arising from, or in connection with, the contractual relationship.

(3) When multiple claimants assert a claim for damages arising from an existing contractual relationship with the German Public Auditor due to the German Public Auditor's negligent breach of duty, the maximum amount stipulated in paragraph 2 applies to the respective claims of all claimants collectively.

(4) The maximum amount under paragraph 2 relates to an individual case of damages. An individual case of damages also exists in relation to a uniform damage arising from a number of breaches of duty. The individual case of damages encompasses all consequences from a breach of duty regard less of whether the damages occurred in one year or in a number of successive years. In this case, multiple acts or omissions based on the same source of error or on a source of error of an equivalent nature are deemed to be a single breach of duty if the matters in question are legally or economically connected to one another. In this event the claim against the German Public Auditor is limited to€ 5 million.

(5) A claim for damages expires if a suit is not filed within six months sub sequent to the written statement (Textform) of refusal of acceptance of the indemnity and the engaging party has been informed of this consequence. This does not apply to claims for damages resulting from scienter, a culpable injury to life, body or health as well as for damages that constitute a liability for replacement by a producer pursuant to§ 1 ProdHaftG. The right to invoke a plea of the statute of limitations remains unaffected.

(6) § 323 HGB remains unaffected by the rules in paragraphs 2 to 5.

### 10. Supplementary provisions for audit engagements

(1) If the engaging party subsequently amends the financial statements or management report audited by a German Public Auditor and accompanied by an auditor's report (Bestatigungsvermerk), he may no longer use this auditor's report.

If the German Public Auditor has not issued an auditor's report, a reference to the audit conducted by the German Public Auditor in the management report or any other public reference is permitted only with the German Public Auditor's consent, issued in a legally accepted written form (gesetzliche Schriftform), and with a wording authorized by him.

(2) If the German Public Auditor revokes the auditor's report, it may no longer be used. If the engaging party has already made use of the auditor's report, then upon the request of the German Public Auditor he must give notification of the revocation.

(3) The engaging party has a right to five official copies of the report. Additional official copies will be charged separately.

### 11. Supplementary provisions for assistance in tax matters

(1) When advising on an individual tax issue as well as when providing ongoing tax advice, the German Public Auditor is entitled to use as a correct and complete basis the facts provided by the engaging party - especially numerical disclosures; this also applies to bookkeeping engagements. Nevertheless, he is obligated to indicate to the engaging party any material errors he has identified.

(2) The tax advisory engagement does not encompass procedures required to observe deadlines, unless the German Public Auditor has explicitly accepted a corresponding engagement. In this case the engaging party must provide the German Public Auditor with all documents required to observe deadlines - in particular tax assessments - on such a timely basis that the German Public Auditor has an appropriate lead time.

(3) Except as agreed otherwise in writing (Textform), ongoing tax advice encompasses the following work during the contract period:

a) preparation and electronic transmission of annual tax returns, including financial statements for tax purposes in electronic format, for income tax, corporate tax and business tax, namely on the basis of the annual financial statements, and on other schedules and evidence documents required for the taxation, to be provided by the engaging party

b} examination of tax assessments in relation to the taxes referred to in (a)

c) negotiations with tax authorities in connection with the returns and assessments mentioned in (a) and (b)

d} support in tax audits and evaluation of the results of tax audits with respect to the taxes referred to in (a)

e) participation in petition or protest and appeal procedures with respect to the taxes mentioned in (a).

In the aforementioned tasks the German Public Auditor takes into account material published legal decisions and administrative interpretations.

(4) If the German Public auditor receives a fixed fee for ongoing tax advice, the work mentioned under paragraph 3 (d) and (e) is to be remunerated separately, except as agreed otherwise in writing (Textform).

(5) Insofar the German Public Auditor is also a German Tax Advis or and the German Tax Advice Remuneration Regulation (Steuer beratungsvergotungsverordnung) is to be applied to calculate the remuneration, a greater or lesser remuneration than the legal default remuneration can be agreed in writing (Textform).

(6) Work relating to special individual issues for income tax, corporate tax, business tax and valuation assessments for property units as well as all issues in relation to sales tax, payroll tax, other taxes and dues requires a separate engagement. This also applies to:

a) work on non-recurring tax matters, e.g. in the field of estate tax and real estate sales tax;

b) support and representation in proceedings before tax and administrative courts and in criminal tax matters;

c) advisory work and work related to expert opinions in connection with changes in legal form and other re-organizations, capital increases and reductions, insolvency related business reorganizations, admission and retirement of owners, sale of a business, liquidations and the like, and

d) support in complying with disclosure and documentation obligations.

(7) To the extent that the preparation of the annual sales tax return is under taken as additional work, this includes neither the review of any special ac counting prerequisites nor the issue as to whether all potential sales tax allowances have been identified. No guarantee is given for the complete compilation of documents to claim the input tax credit.

### 12. Electronic communication

Communication between the German Public Auditor and the engaging par ty may be via e-mail. In the event that the engaging party does not wish to communicate via e-mail or sets special security requirements, such as the encryption of e-mails, the engaging party will inform the German Public Auditor in writing (Textform) accordingly.

### 13. Remuneration

(1) In addition to his claims for fees, the German Public Auditor is entitled to claim reimbursement of his expenses; sales tax will be billed additionally. He may claim appropriate advances on remuneration and reimbursement of expenses and may make the delivery of his services dependent upon the complete satisfaction of his claims. Multiple engaging parties are jointly and severally liable.

(2) If the engaging party is not a consumer, then a set-off against the German Public Auditor's claims for remuneration and reimbursement of expenses is admissible only for undisputed claims or claims determined to be legally binding.

### 14. Dispute Settlement

The German Public Auditor is not prepared to participate in dispute settlement procedures before a consumer arbitration board (Verbraucher schlichtungsstelle) within the meaning of§ 2 of the German Act on Consumer Dispute Settlements (Verbra ucherstreitbeilegungsgesetz).

### 15. Applicable law

The contract, the performance of the services and all claims resulting there from are exclusively governed by German law.

## NOTES

TKM Global GmbH

# Balance Sheet as at March 31, 2024

*EUR*

| | Note | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| **I ASSETS** | | | |
| **(1) Non-current Assets** | | | |
| (a) Property, Plant and Equipment | **1** | 228.876 | 269.889 |
| (b) Intangible Assets | **1** | 10.064 | 3.361 |
| (c) Right of Use Assets | **1** | 182.850 | 233.906 |
| (d) Financial Assets | | 0 | 0 |
| (i) Other Financial Assets | **2** | 22.100 | 22.100 |
| (e) Other Non-current Assets | | 0 | 0 |
| | | **443.890** | **529.256** |
| **(2) Current Assets** | | | |
| (a) Financial Assets | | | |
| (i) Trade Receivables | **3** | 962.698 | 935.007 |
| (ii) Cash and Cash Equivalents | **4** | 4.355.722 | 1.237.306 |
| (iii) Other Bank Balances | **4** | 6.999.790 | 20.023.551 |
| (iv) Contract Assets | **5** | 1.709.399 | 3.105.905 |
| (v) Other Financial Assets | **6** | 713.953 | 1.694.889 |
| (b) Other Current Assets | **7** | 157.738 | 366.119 |
| | | **14.899.301** | **27.362.777** |
| **Total** | | **15.343.191** | **27.892.033** |
| **II EQUITY AND LIABILITIES** | | | |
| **1. Shareholders' Funds** | | | |
| a) Equity share capital | **8** | 1.000.000 | 1.000.000 |
| b) Other Equity | **9** | 7.672.912 | 19.754.414 |
| | | **8.672.912** | **20.754.414** |
| **2. Non-current Liabilities** | | | |
| a) Provisions | **10** | 31.851 | 31.851 |
| b) Liabilities of Lease | **10** | 136.402 | 189.845 |
| c) Deferred Tax Liabilities | | 22.700 | 21.310 |
| | | **190.953** | **243.006** |
| **3. Current Liabilities** | | | |
| (a) Financial Liabilities | | | |
| i) Trade payables | **11** | 1.122.979 | 1.329.500 |
| ii) Other financial liabilities | **12** | 93.913 | 175.563 |
| (a) Financial Liabilities | **13** | 59.834 | 138.294 |
| (a) Financial Liabilities | | 52.618 | 50.628 |
| (a) Financial Liabilities | **15** | 800.429 | 725.000 |
| (b) Provisions | **14** | 2.171.568 | 573.083 |
| i) contract liabilty | **5** | 2.177.986 | 3.902.545 |
| | | **6.479.326** | **6.894.612** |
| **Total** | | **15.343.191** | **27.892.033** |

See accompanying notes part of the condensed financial statements.

**For TKM Global GmbH**
**Amar Patnaik**
**Global Head**

**Hamburg, 08.04.2024**





TKM Global GmbH

# Statement of Profit and Loss for the Year ended March 31, 2024

*EUR*

| | | Note | for the quarter ended | | for the period ended | |
|---|---|---|---|---|---|---|
| | | | 31.3.2024 | 31.3.2023 | 31.3.2024 | 31.3.2023 |
| | Income from Operations | 16 | 2.054.3'76 | 2.154.431 | 12.603.587 | 8.157.850 |
| | Other Income | 17 | 116.918 | 112.857 | 635.492 | 133.379 |
| **I** | **Total Income** | | **2.171.295** | **2.267.289** | **13.239.079** | **8.291.228** |
| **II** | **Expenses** | | | | | |
| | Employee benefits expense | 18 | 334.974 | 250.351 | 1.325.646 | 947.515 |
| | Finance costs | 19 | -57.972 | 62.478 | -27.676 | 55.965 |
| | Operational expenses | 20 | 1.395.525 | 1.521.772 | 9.751.256 | 5.875.810 |
| | Depreciation | 21 | 32.349 | 27.202 | 128.805 | 125.857 |
| | Other Expenses | 22 | 96,059 | 40.204 | 322.897 | 3D9.320 |
| | **Total Expenses** | | **1.800.934** | **1.902.007** | **11,500.93** | **7.314.468** |
| **III** | **Profit before Tax (III-IV)** | | **370.36** | **365.282** | **1.7 8.1S1** | **976.761** |
| **IV** | **Tax Expenses** | | | | | |
| | Current tax actual period | 23 | 152.005 | 129.182 | 592.600 | 329.300 |
| | Current tax prior years | 24 | -88.234 | 0 | -88.234 | 0 |
| | Deffered tax | 25 | 16.364 | ·19.990 | 1.990 | -10.074 |
| | **Total Taxes** | | **47,4(!_7** | **109.192** | **505.7S6** | **319.226** |
| **V** | **Profit after tax** | | **322.9S4** | **2S6.090** | **1.232.396** | **657.S35** |
| **VI** | **Other Comprehensive income** | | | | | |
| VII | Earnings per share | 26 | 3.230 | 2.561 | 12.324 | 6.575 |

The accompanying notes form an Integral part of these ind AS financial statements.

**For TKM Global GmbH**
**Amar Patnaik**
**Global Head**

**Hamburg, 08.04.2024**

TKM Global GmbH

## Condensed Cash Flow Statement for the Year ended March 31, 2024

*EUR*

| | Note | for the period ended 31.3.2024 | 31.3.2023 |
|---|---|---|---|
| **A. Cash Flows from Operating Activities** | | | |
| Profit/Loss before Tax | | 1.738.151 | 976.761 |
| Adjustment for : | | | |
| Extraordinary items | | 0 | 0 |
| Depreciation | | 128.805 | 125.857 |
| Interest of lease | | 4.45 | 4.085 |
| Loss on disposal fixed assets | | 0 | 0 |
| Gain of disposal of financial assets | | 0 | 0 |
| Unrealised currency gain/loss | | 52.442 | 6.337 |
| Interest income / expenses | | -643.37 | -124.924 |
| **Operating profit before Working Capital** | | **1.280.478** | **988.116** |
| Adjustment for: | | | |
| Trade and other receivables | | 2.570.750 | -3.149.949 |
| Trade payable and other liabilities | | -2.089.459 | 2.553.202 |
| **Cash generated from Operations** | | **1.761.769** | **391.3681** |
| Taxes paid actual period | | -162.784 | -129.1 |
| Taxes paid prior period | | 0 | 0 |
| Taxes received actual period | | 0 | 0 |
| Taxes received prior period | | 0 | 0 |
| **Net Cash from operating activities** | | **1.598.985** | **262.268** |
| **B. Cash Flows from investing activities** | | | |
| Purchase of disposal fixed assets | | -43.439 | -19.565 |
| Purchase of financial assets more than 12 months | | 0 | 0 |
| Purchase of financial assets more than 12 months | | 0 | 0 |
| Paid in of disposal financial assets | | 0 | 0 |
| Purchase of subsidiaries | | 0 | 0 |
| Movements in other financial assets | | 13.023.761 | 0 |
| Movements in fixed deposits more than 3 less 12 months | | 0 | -1.178.006 |
| Sale of fixed assets | | 0 | 523 |
| Interest received | | 758.963 | 5.908 |
| **Net Cash used in investigation activities** | | **13.739.285** | **-1.191.141** |
| **C. Cash Flow from financing activities** | | | |
| Repayment of long term loan | | **0** | **0** |
| Interest paid | | **0** | **0** |
| Payment Dividend | | **-12.145.230** | **-32,00,000** |
| **Net Cash introduced from financing activities** | | **-12.145.230** | **-3.200.000** |
| **Net increase in Cash & Cash equivalents (A+B+C)** | | 3.193.040 | -4.128.873 |
| Effect of exchange rate changes on cash and cash equivalents | | -74.62 | 3.223 |
| Cash and cash equivalents at the beginning of the reporting period | | 1.237.306 | 5.362.956 |
| **Cash and cash equivalents at the end of the reporting period** | | **4.355.722** | **1.237.306** |

**For TKM Global GmbH**
**Amar Patnaik**
**Global Head**

**Hamburg, 08.04.2024**

TKM Global GmbH

## Statement of Changes in Equity for the period March 31, 2024

| | Share Capital | reserves and surplus | Total |
|---|---|---|---|
| **Balance as 01.04.2022** | **1.000.000 €** | **22.296.879 €** | **23.296.879 €** |
| Comprehensive income | | | |
| a) Profit for the period | | 657.535 € | 657.535 € |
| b) Dividends paid | | 3.200.000 € | 3.200.000 € |
| c) Transfer equity | - € | - € | - € |
| **Balance as 31.03.2023** | **1.000.000 €** | **19.754.414 €** | **20.754.414 €** |
| **Balance as 01.04.2023** | **1.000.000 €** | **19.754.414 €** | **20.754.414 €** |
| Comprehensive income | | | |
| a) Profit for the period | | 1.232.396 € | 1.232.396 € |
| b) Dividends paid | | 13.313.899 € | 13.313.899 € |
| c) Transfer equity | - € | - € | - € |
| **Balance as 31.03.2024** | **1.000.000 €** | **7.672.912 €** | **8.672.912 €** |

**For TKM Global GmbH**
**Amar Patnaik**
**Global Head**

**Hamburg, 08.04.2024**

TKM Global Logistics Limited

## Notes to the Financial Statements for the year ended 31st March 2024

### 1. General Instructions for financial statement

**Legal status and business activity**

a) TKM Global GmbH (Company) was incorporated on 8th November 1994 in the Local Court of Frankfurt under company registration number HRB 48316. With date of 22nd October 2004 the company changed the registered address from Frankfurt to Hamburg. Currently the company is registed in the local court of Hamburg (HRB 90039). TKM Global is an unlisted public limited company incorporated in Esplanade 41, 20354 Hamburg, Germany. The establishment is a wholly owned subsidiary of TKM Global Logistics LTd., with effect from 1st March 2005. With date of 13th March 2007 TKM Overseas Transport (Europe) GmbH changed its company name to TKM Global GmbH. With date of 1st October 2011 the company opened a branch office in Frankfurt. The Branch in Frankfurt has been closed. With effect from 10. September 2021 the company has increased the equity of EUR 1.000.000,00.

b) The company's principal activity is performing national and international transports of all kinds, by air, ocean, road, supply chain management and related logistics activities lieke warehousing, packing, etc. The company is entitled to execute all appropriate activities. The company is also entitled to represent other companies, to hold interest and establish subsidiaries.

c) The functional and presentation currency of the Company is EURO which is the primary economic enviroment in which the Company operates.

### 2. Significant Accounting policies

**a) Compliance with Ind AS**

The Financial Statement comply in all material aspects except of the information on personnel compensation required to be disclosed by IND AS 24 p17 (a) - € with Indian Accounting Standdards (Ind AS) notified under section 133 of the Companies Act (the Act), There are not changes in the status of assets, finance and income by using Ind AS the first time.

**b) Historical Cost Convention**

The Financial Statement have been prepared on a historical cost basis, except for certain financial assets and liabilities which are measured at fair value

**c) Current versus Non-current classification**

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

- expected to be realised or intended to be sold or consumed in normal operating circle held primarily for the purpose of trading
- expected to be realised within twelve months after the reporting period, or
- cash or cash equivilans unless restricted from beeing exchanged for used to settle the liability for the at least twelve months after the reporting period

All other assets are classified as non-current.

A liabiltiy is classified as current when:

- it is expected to be settled in the normal operating cycle
- it is held primarily for the purpose of trading
- it is due to be settled within twelve months oafter the reporting period, or
- there is no unconditianl right to defer the settlement of the liability for at least twelve months after the period .

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current

**d) Property, Plant and Equipment**

An item of property, plant and equipment is recognised as an asset if it is probable that future economic benefits associated with the item will flow to the Company and its cost can be measured reliably. This recognition principle is applied to the costs incurred initially to acquire an item of property, plant and equipment and also to costs incured subsequenty to add to, replace part of, or service it. All other repair and maintenance costs, including regular servicing, are recognisesd as an expense in the Statement of Profit and Loss as incurred. When a replacement occurs, the carrying amount of the replaced part is derecognised. Property, plant and equipment are stated at cost, less accumulated depreciation and impairment losses. Cost includes direct costs and expenditures incurred to bring the asset to its working condition and location for its intended use.

Gain or loss arising on disposal of an asset is determined as the differences between the sale proceeds and the carrying amount of the asset, and is recognised in the Statement of Profit and Loss.

**<u>Depreciation Method and Estimated Useful Lives</u>**

Depreciation of property, plant and equipment is calculated on pro-rata using the straight-line method to allocate their cost, over their estimated lives. The useful lives determined are in line with useful lives prescribed in Schedule II to the Act, except in respect of vehicle and certain plant and equipment, after taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, etc.

The details of estimated life for each category of assets are as under:

| Type of asset | estimated life |
|---|---|
| Furniture and fixture | 10 years |
| Vehicles - Four Wheeler | 8 years |
| Office Equipment | 5 years |
| Computers | 3 years |

The useful lives, residual values and the method of depreciation of property, plant and equipment are reviewed, and adjusted if appropriate, at the end of each reporting period. Gains or losses on disposals are determined as differences between sale proceeds and carrying value of such items and are recognised in the statement of Profit and Loss within" Other income/other expenses".

Advanced paid towards the acquisitation of property, plant and equipment outstanding at each balance sheet date is classified as "Capital advances"

**e) Intangible assets**

Software for internal use, which is primarily acquired from third-party vendors is capitalized. It has a finite useful life and are stated at cost less accumulated amortisation and accumulated impairment losses, if any. Subsequent costs associated with maintaining such software are recognised as expenses as incurred. Cost of software includes licence fees and cost of implementation /system integration services, where applicable.

**<u>Amortisatlon method and period</u>**

Intangible asset are amortised over period of 3 years. Amortisation is recognised on a straight-line basis over their estimated useful lives. Amortisation method and useful lives are reviewed periodically including at each financial year end.

An intangible asset is derecognised at diposal,or when no future economic benefit are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as differences between the net disposal proceeds and the carrying amount of the asset, are recognised in the Statement of Profit and Loss.

**f) IND AS 116 Lease**

Effective April 1, 2019 the Company adopted In AS 116 "Leases" and applied the standard of all lease contracts exsiting on April l, 2019 using modified retrospective method and is mearured at an amount equal to lease lia bility on the date of initial application Consequently, the Company recorded the lease liability at the present value of lease payments discounted at the borrowing rate at the date of inital application ,

The office rooms and a vehicle have been recognised in this asset class.

**<u>Amortisation method and period</u>**

Right of Use assets are amortised with over a period of the period of use of the assets. The office rooms contract has a period of 5 years and the lease contract of the vehicle has period of 3 years. Amortisation is recognised on a straight-line basis over the period of the contracts. Gains or losses arising from derecognition of an intangible asset, measured as differences between the net disposal proceeds and the carrying amount of the asset, are recognised in Statement of Profit and Loss.

**g) Impairment of Non-financial assets**

Assets are tested in impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceed its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost of disposal and value in use.

**h) Financial Instruments**

Financial assets and financial liabilities are recognised when the Company becomes party to the contractual provisions of the instruments.

Financial assets and financial liabilties are initally measured at fair value.Transaction costs that are directly attributable to the acquisition or issues of financial assets and liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the Statement of Profit and Loss.

**<u>Classification</u>**

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or

TKM Global Logistics Limited

## Notes to the Financial Statements for the year ended 31st March 2024

- through profit and loss), and
- those to be measured at amortised costs.

The classification depends on company's business model for managing the financial assets and the contractual terms of cash flows.

For assets measured at fair value, gains or losses is either recoded in the profit of loss or other comprehensive income. For investments in debt instruments, this depends on whether company has made an irrevocable election at the time of initial recognition to account for the equity invesment at fair value through other comprehensive income. The company reclassifies the debt instruments when and only when the business model for managing those assets changes.

**Measurement**

At initial recognitiation, the company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit and loss, transaction costs that are directly attribute to the acquistion of the financial asset. Transaction costs of financial assets carried at fair value through profit and loss are recognised as expenses in the statement of Profit and Losses.

**Debt instruments**

Subsequent measurement of debt instruments depends on the Company's business model for managing assets and the cash flow characteristics of the asset.The Company classified its debt instrument as amortised cost measurement categories. Assets that are held for collection of contractual cash-flows where those cash flows represent solely payments of prinicipal and interest are measured at amortised costs. A gain and loss on a debt instrument that is subsequently measured at amortised cost is recognised in profit and loss when the asset is derecognised .

**Impairment of financial assets**

The company assesses on forward looking basis the expected credit losses associated with its assets which are not fair valued through profit and loss. The impariment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables only,the company applies the simplified approach permitted by Ind AS 109, "Financial Instruments", which requires expected lifetime losses to be recognised from initial recognition of the receivables.

**Derecognition of financial assets**

A financial asset is derecognised only when the Company has transferred the rights to receive cash flows from the financial asset or retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recepients.

Where the entity has transferred an asset, the company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the finanical asset is derecognised. Where the entity has not transferred substantially all risks and reward of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial assset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

**Fair value of financial instruments**

In determining the fair value of financial instruments, the company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis and available quoted marked prices. All methods of assessing fair value result in general approximation of value, and such value many never actually be realised.

**Offsetting financial Instruments**

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

**I) Trade Receivables**

Trade receivables are amounts due from customers for good sold or services rendered in the ordinary course of business. Trade receivables are recognised initally at fair value and subsequently measured at amotised cost using the effective interest method, less provision from impairment



TKM Global Logistics Limited

Notes to the Financial Statements for the year ended 31st March 2024

**J) Cash and Cash Equivilant**

Cash and cash equivalents comprise cash and bank balance in bank current accounts, bank deposits free of encumbrance with a maturity date of three months or less from the date of deposit and highly liquid investments with a maturity of three months or less from the date of investment.

**k) Trade Payables**

Trade payables represent liablities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are represented as current liablities unless payment is not due within 12 months after the reporting period. They are recognised initially at the fair value and are subsequently measured at amortised cost using the effective interest method where the time value of money is significant.

**l) Provisions**

Provisions are recognised when the establishment has a present obligation as a result of past event and it is probable than an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date taking into account the risks and uncertaintes surrounding obligation.

**m) Employee benefit costs**

Liabilities for short-term employee benefits, that are expected to be settled wholly within 12 months after the end of period in which the employees render the related service, are recognised in respect of employee's services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilites are settled.

The liabilities are presented under "Other financiai Liabilities" .

**n) Sales of Service and other Operating Revenue**

Revenue from sale of services and other operating revenue are recognised when services are transferred to the customer i.e. when the Company satisfies the performance obligation with respect to the services being rendered, risk of loss have been transferred to the customer and either the customer has accepted the services in accordance with the contract or the acceptance provisions have elapsed or the company has objective evidence that all criteria for acceptance have been satisfied. Revenue from sale of service are recognised based on the price specified in the contract, which is fixed. No elements of financing is deemed present as the sales are made against the receipt of advance or with an agreed credit period, which is consistent with the market practices. A receivable is recognised when the services are transferred, as this is the point in time that the consideration is unconditional because only passage of time is required before payment is due.

The company does not have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year.

As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

**o) Contract assets**

A Contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Establishment performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised from the earned consideration that is conditional. The contract assets are transferred to receivable when the rights become unconditional.

**p) Contact liabilities**

A contract liability is the obligation to transfer goods or services to a customer for which the Establishment has received consideration from the customer. If a customer pays consideration before the Establishment transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Establishment performs under the contract.

**q) Interest income**

Interest income is recognised on time proportion basis, by reference to the principal outstanding and the interest rate applicable.

**r) Foreign currency transaction**

Transactions in foreign currencies are translated in Euro at the rate of exchange ruling on the date of the transactions. Monetary assets and liabilities expressed in foreign currencies are translated in Euro at the rate of exchange ruling at the balance sheet date. Gains or losses resulting from foreign currency transactions are taken on the income statement.

**s) Equity**

Share capital is recorded at the value of proceeds received

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## Notes to the Financial Statements for the year ended 31st March 2024

towards interest in share capital of the company.
Last year in the statement of Profit and loss was an formular error in Earning per share.
This error has been corrected in the actual profit and loss statement.

**t) Share-based payments**
There are no share-based payments

**u) Current and deferred taxes**

**<u>Taxes on income</u>**
Current tax is calculated under the tax payable method on the taxable income for the period as determined in accordance with the provisions of the German Corporate Income Tax Code.

**<u>Deferred tax</u>**
Deferred tax is recognised on timing differences; being the differences between taxable income and accounting that originate in one period and are capable of reversal in one or more subsequent periods.

**<u>Value added tax</u>**
As per German tax laws, VAT will be charge on 19% (16 % for the second half on 2020) standard rate or 0% on every taxable supply.

The company is required to file its VAT returns and compute the payable tax {which is output tax less input tax) for tax period, which is quarterly.

**v) Segment reporting**
Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM) .The board of director is collectively the CDOM. Based on the synergies, risks, and returns associated with business operations and in terms of Ind AS 108, the CDOM of the company has assessed that the company is predominantly engaged in the business of a single reportable segment of Logistics Service Provider during the year.

### 3. USE OF ESTIMATES AND CRITICAL ACCOUNTING JUDGEMENTS

The preparation of Standalone Financial Statements in conformity with Ind AS requires management to make judgments estimates and assumptions, that impact the application of accounting policies and the reported amounts of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities at the date of these Standalone Financial Statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates.

The estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods impacted.

This Note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each impacted line item in the Standalone Financial Statements.

The areas involving critical estimates or judgements are:

**a) Estimation of Expected Useful Lives and Residual Values of Property, Plant and Equipment**
Mangement reviews its estimate of useful lives of property, plant and equipment at each reporting date, based on the expected utility of assets. Uncertainties in these estimates relate to technical and economic obsolescence that may changes the utility of property, plant and equipment.

**b) Impairment of Trade receivables**
Impairment of trade receivables is primarily estimated based on prior experience with and the past due status of receivables based on factors that include ability to pay and payment history. The assumptions and estimates applied for determining the provision for impairment are reviewed periodically.

**c) Contingencies**
Legal proceedings covering a range of matters are pending against the company. Due to the uncertainty inherent in such matters, it is often difficult to predict the final outcomes. The cases and claims against the company often raise difficult and complex factual and legal issues that are subject to many uncertainties and complexities, including but not limited to the facts and circumstances of each particular case and claim, the jurisdiction and the differences in applicable law, in the normal course of business.

The company accrues a liability when it is determined that an adverse outcome is probable and the amount of the loss can be reasonably estimated. In the event an adverse outcome is possible or an estimate is not dermlnable, the matter is disclosed.





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## Notes to the Financial Statements for the year ended 31st March 2024

**d) Deferred Taxes**
Deffered income tax expense is calculated based on the differences between the carrying value of assets and liabilies for financial reporting purposes and their respective bases that are considered temporary in nature.

Valuation of deferred tax assets is dependent on management's assessment of future recoverability of the deferred tax benefit. Expected recoverability may result from expected taxable income in the future, planned transactions or planned optimizinng measures. Economic conditions may change and lead to different conclusion regarding recoverability.

### NOTE 1: TANGIBLE AND INTANGIBLE ASSETS

*(in €)*

| | Gross Block | | | | Depreciation | | | | Net Block |
|---|---|---|---|---|---|---|---|---|---|
| | As at 01.04.2023 | Additions | Deduction/ Disposals | As at 31.12.2024 | As at 01.04.2024 | For the period | On deduction /adjustment | As at 31.03.2024 | As at 31.03.2024 |
| Equipment | 87.251 | 20.625 | -188 | 107.688 | 58.975 | 16.283 | -188 | 75.069 | 32.619 |
| Furniture & Fixture | 291.777 | 12.632 | 0 | 304.409 | 133.508 | 29.479 | 0 | 162.987 | 141.423 |
| Vehicles | 180.291 | 0 | 0 | 180.291 | 96.949 | 28.508 | 0 | 125.457 | 54.834 |
| **Property, plant and equipment** | **559.319** | **33.257** | **-188** | **592.388** | **289.432** | **74.270** | **-188** | **363.513** | **228.876** |
| Software | 27.525 | 7.720 | 0 | 35.245 | 24.164 | 1.017 | 0 | 25.180 | 10.064 |
| **Intangible assets** | **27.525** | **7.720** | **0** | **35.245** | **24.164** | **1.017** | **0** | **25.180** | **10.064** |
| Right of Use | 317.883 | 2.462 | 0 | 320.345 | 83.976 | 53.518 | 0 | 137.494 | 182.850 |
| **Right of Use assets** | **317.883** | **2.462** | **0** | **320.345** | **83.976** | **53.518** | **0** | **137.494** | **182.850** |

*(in €)*

| | Gross Block | | | | Depreciation | | | | Net Block |
|---|---|---|---|---|---|---|---|---|---|
| | As at 01.04.2022 | Additions | Deduction/ Disposals | As at 31.12.2023 | As at 01.04.2022 | For the period | on deduction /adjustment | As at 31.03.2023 | As at 31.03.2023 |
| Equipment | 79.073 | 8.701 | -523 | 87.251 | 44.526 | 14.458 | -9 | 58.975 | 28.277 |
| Furniture & Fixture | 280.913 | 10.864 | 0 | 291.777 | 105.686 | 27.822 | 0 | 133.508 | 158.271 |
| Vehicles | 180.291 | 0 | 0 | 180.291 | 68.440 | 28.509 | 0 | 96.949 | 83.341 |
| **Property, plant and equipment** | **540.277** | **19.565** | **-523** | **559.319** | **218.652** | **70.789** | **-9** | **289.432** | **269.889** |
| Software | 27.525 | 0 | 0 | 27.525 | 23.363 | 801 | 0 | 24.164 | 3.361 |
| **Intangible assets** | **27.525** | **0** | **0** | **27.525** | **23.363** | **801** | **0** | **24.164** | **3.361** |
| Right of Use | 297.308 | 269.674 | -249.099 | 317.883 | 214.074 | 54.258 | -184.356 | 83.976 | 233.906 |
| **Right of Use assets** | **297.308** | **269.674** | **-249.099** | **317.883** | **214.074** | **54.258** | **-184.356** | **83.976** | **233.906** |

*(in €)*

| NOTE 2: OTHER FINANCIAL ASSETS | As at 31st March 2024 | As at 31st March 2023 |
|---|---|---|
| Security deposit | 22.100 | 22.100 |
| | **22.100** | **22.100** |

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## Notes to the Financial Statements for the year ended 31st March 2024

(in €)

| NOTE 3: TRADE RECEIVABLE | As at 31st March 2024 | As at 31st March 2023 |
|---|---|---|
| **Trade receivable considered good - unsecured** | 1.014.896 | 1.001.487 |
| **Trade receivable - credit impaired** | -52.198 | -66,480 |
| **thereof exceeding more than 6 months** | | |
| Less: allowance for doubtful depts third parties | 0 | 0 |
| less: allowance for doubtful depts related parties | -42.978 | -56.930 |
| **Less: lump-sum allowance** | -9.220 | -9.550 |
| | **962.698** | **935.007** |

(in €)

| NOTE 4: CASH AND BANK BALANCES | As at 31st March 2024 | As at 31st March 2023 |
|---|---|---|
| **Balances with banks** | 4.353.073 | 1.232.228 |
| Cash on hand | 2.649 | 5.078 |
| **Cash and Bank balances** | **4.355.722** | **1.237.306,** |
| Fixed deposits less than three months | 1.799,811 | a, |
| Other bank balances<br>(Fixed deposits more than 3 months and less 12 months) | 5.199,979 | 20.023.551 |
| | **11.355.5121** | **21.260.857'** |

(in €)

| NOTE 5: CONTRACT ASSETS/LIABILITIES | As at 31st March 2024 | As at 31st March 2023 |
|---|---|---|
| Contract assets relating to costs incurred to fulfil a contract | 1.709,399 | 3.105.905 |
| Contract liabilities relating to advance received a fulfil acontract | 2.177,986 | 3.902.545 |
| | **468.581** | **796.640** |

(in €)

| NOTE 6: OTHER FINANCIAL ASSETS | As at 31st March 2024 | As at 31st March 2023 |
|---|---|---|
| Accrued interest | 6.085 | 121.548 |
| Overpaid creditors | 0 | 0 |
| Interest on loan advances | 0 | 0 |
| Expected payment transfer | 0 | 0 |
| Customs money in transit | 0 | 0 |
| Travel advances to personal | 6,632 | 60.763 |
| Prepayment of suppliers | 701.236 | 1.512.579 |
| | **713.953** | **1.694.889** |

(in €)

| NOTE 7: OTHER CURRENT ASSETS | As at 31st March 2024 | As at 31st March 2023 |
|---|---|---|
| Tax refunds corporation tax previous years | 70.690 | 141.941 |
| Tax refunds city tax previous years | 0 | 113.178 |
| Tax prepayment city and corporation tax | 0 | 0 |
| Calculated taxes | 0 | 0 |
| Tax refunds VAT | 34.788 | 62.305 |
| Deferred Tax | 0 | 0 |
| Prepayment and deferred charges | 52.259 | 48.694 |
| | **157.7381** | **366.119** |

| NOTE 8: SHARE CAPITAL | As at 31st March 2024 | As at 31st March 2023 |
|---|---|---|
| Authorised issued and paid up | 1.000.000 | 1.000.000 |
| | **1.000.000** | **1.000.000** |



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## Notes to the Financial Statements for the year ended 31st March 2024

(in €)

| NOTE 9: RESERVES AND SURPLUS | As at 31st March 2024 | As at 31st March 2023 |
|---|---|---|
| Profit brought forward | 20.986,810 | 22.954.414 |
| Payment dividend | -13.313.899 | -3.200.000 |
| Surplus reserve | 0 | 0 |
| | **7.672.912** | **19.754.414** |

(in €)

| NOTE 10: NON CURRENT LIABILITIES | As at 31st March 2024 | As at 31st March 2023 |
|---|---|---|
| Long-term provision for storage of records | 31.851 | 31.851 |
| Lease liabilities | 136.402 | 189.845 |
| | **168.253** | **221.696** |

(in €)

| NOTE 11: TRADE PAYABLES | As at 31st March 2024 | As at 31st March 2023 |
|---|---|---|
| For operation | 455.595 | 850.211 |
| For accrued wages and salaries | 667.384 | 479.289 |
| | **1.122.979** | **1.329.500** |

(in €)

| NOTE 12: OTHER FINANCIAL LIABILITIES | As at 31st March 2024 | As at 31st March 2023 |
|---|---|---|
| Overpaid debtor | 49.523 | 372 |
| Against shareholder | 0 | 0 |
| Others | 44.390 | 175.191 |
| | **93.913** | **175.563** |

(in €)

| NOTE 13: CURRENT PROVISIONS | As at 31st March 2024 | As at 31st March 2023 |
|---|---|---|
| Provision for accounting and audit | 59.834 | 138.294 |
| | **59.834** | **138.294** |

(in €)

| NOTE 14: IINCOME TAX | As at 31st March 2024 | As at 31st March 2023 |
|---|---|---|
| Tax-Profit before Tax of the year | 1738.151 | 976.761 |
| Income Tax Expense calculated at 32,275% | 560.988 | 312.250 |
| Net Effect of deffered tax assets and liabilities | 0 | 0 |
| Effect of expenses that are not deductable | 12.368 | 9.064 |
| Effect of offsetting foreign withholding tax | 0 | 0 |
| Effect of other terms | 0 | 7.032 |
| Effect of tax taken forwarded | 0 | 0 |
| Effect of valuation foreign currency receivables, payables and cash items | 19.244 | -2.045 |
| | 0 | 0 |
| **Income Tax Expense of the period** | **592.600** | **326.300** |
| Income Tax Corporate tax and Soli | 290.600 | 161.962 |
| Prepayment Corporate Tax and Soli | -63.300 | -63.300 |
| **Note 6** | **227.300** | **98.662** |
| Income Tax City Tax Hamburg | 302.000 | 167.338 |
| Prepayment City Tax | -65.800 | -65.800 |
| | **236.200** | **101.538** |
| (Withholding tax) | 0 | 0 |
| **Current tax-refund (-)** | **463.500,** | **200.200** |

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## Notes to the Financial Statements for the year ended 31st March 2024

*(in €)*

| NOTE 14: DEFERRED TAX | 31.03.2022 | Changes/credit of the period | 31.03.2023 | Changes/credit of the period | 31.03.2024 |
|---|---|---|---|---|---|
| **Deferred tax assets** | | | | | |
| Converting market to market cash, bank balances | 0 | 0 | 0 | 0 | 0 |
| Converting market payables | 18 | -18 | 0 | 10,504 | 10.504 |
| Converting other assets | 0 | 0 | 0 | 0 | 0 |
| Converting other liabilities | 18.301 | -12.598 | 5.703 | -5.703 | 0 |
| Current assets | 17 | 25 | 42 | -42 | 0 |
| FX converting market receivables | 0 | 4.024 | 4.024 | -4.009 | 15 |
| Liability of lease | 9.416 | 67.775 | 77.191 | 16.516 | 60.675 |
| | **27.752** | **59.208** | **86.960** | **17.266** | **71.194** |
| **Deferred tax liablities** | | | | | |
| FX converting market receivables | 660 | -660 | 0 | 0 | 0 |
| FX converting other assets | 0 | 0 | 0 | 8.927 | 8.927 |
| FX converting market payables | 0 | -15.970 | -15.970 | 15.970 | 0 |
| Converting other liabilities | 0 | 0 | 0 | 0 | 0 |
| Provision storage | -818 | 0 | -818 | 0 | -818 |
| Property, plant, equipment and intangible asset | -5.182 | 1.202 | -3.980 | 729 | -3.251 |
| Converting market to market cash, bank balances | -25.757 | -1.041 | -26.798 | -13.266 | -40.064 |
| Right of Use | -26.718 | -48.364 | -75.082 | 16388 | -58.694 |
| | **-57.815** | **-64.833** | **-U2.648** | **28.748** | **-93.900** |
| | | | | | |
| Deferred tax (charge)/credlt | | **-S.625** | | **46.014** | |
| **Deferred tax (liability)/Asset (net)** | **-30.064** | | **-35.690** | | **-22.706** |

*(in €)*

| NOTE 15: CURRENT TAX LIABILITIES | As at 31st March 2024 | As at 31st March 2023 |
|---|---|---|
| Tax prepayment city and corporation tax | -129.100 | -129.100 |
| Calculated taxes 30.09.23/30.06.2023 I 31.12.2023/ 31.03.24 | 592.600 | 329.300 |
| Provision for prior taxes | 539.399 | 372.883 |
| withholding taxes for dividend payments | 1.168.669 | 0 |
| | **2.171.568** | **573.083** |

*(in €)*

| NOTE 15: OTHER NON FINANCIAL LIABILITIES | As at 31st March 2024 | As at 31st March 2023 |
|---|---|---|
| Prepayment of JLR | **800.000** | 725.000 |
| Prepayment of customer | 429 | 0 |
| | **800.429** | **725.000** |

*(in €)*

| NOTE 16: INCOME FROM OPERATIONS | For the quarter ended | | For the period ended | |
|---|---|---|---|---|
| | 31.03.2024 | 31.03.2023 | 31.03.2024 | 31.03.2023 |
| Freight | 2.054.376 | 2.154.431 | 12.603.587 | 8.157.850 |
| | **2.054.376** | **2.154.431** | **12.603.587** | **8.157.850** |

*(in €)*

| NOTE 17: OTHER INCOME | For the quarter ended | | For the period ended | |
|---|---|---|---|---|
| | 31.03.2024 | 31.03.2023 | 31.03.2024 | 31.03.2023 |
| Interest | 123.469 | 82.394 | 643.370 | 124.924 |
| Other income | -6.551 | 30.463 | -7.878 | 8.455 |
| | **116.918** | **112.856** | **635.492** | **133.379** |

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## Notes to the Financial Statements for the year ended 31st March 2024

*(in €)*

| NOTE 18: EMPLOYEE BENEFITS EXPENSE | For the quarter ended | | For the period ended | |
|---|---|---|---|---|
| | 31.03.2024 | 31.03.2023 | 31.03.2024 | 31.03.2023 |
| Salaries and social welfare expenses | 334.974 | 250.351 | 1.325.646 | 947.515 |
| | **334.974** | **250.351** | **1.325.646** | **947,515** |

*(in €)*

| NOTE 19: FINANCE COSTS | For the quarter ended | | For the period ended | |
|---|---|---|---|---|
| | 31.03.2024 | 31.03.2023 | 31.03.2024 | 31.03.2023 |
| Applicable net gain/loss on foreign | -46.929 | 63.023 | -19.846 | 53.972 |
| Interest on lease liabilities | 1.236 | 1.546 | 4.450 | 4.085 |
| Currency transaction | 0 | -2.067 | 0 | -2.067 |
| Interest on tax payment recent years | -12.279 | -25 | -12.279 | -25 |
| | **-57.972** | **62.478** | **-27.676** | **55.965** |

*(in €)*

| NOTE 20: OPERATIONAL COSTS | For the quarter ended | | For the period ended | |
|---|---|---|---|---|
| | 31.03.2024 | 31.03.2023 | 31.03.2024 | 31.03.2023 |
| Freight | 1.395.525 | 1.521.772 | 9.751.256 | 5.875.810 |
| | **1.395.525** | **1.521.772** | **9.751.256,** | **5.875.810** |

*(in €)*

| NOTE 21: DEPRECIATION AND AMORTISATION | For the quarter ended | | For the period ended | |
|---|---|---|---|---|
| | 31.03.2024 | 31.03.2023 | 31.03.2024 | 31.03.2023 |
| Depreciation on tangible and intangible assets | 32.349 | 27.202 | 128.805 | 125.857 |
| | **32.349** | **27.202** | **128.805** | **125.857** |

*(in €)*

| NOTE 22: OTHER EXPENSES | For the quarter ended | | For the period ended | |
|---|---|---|---|---|
| | 31.03.2024 | 31.03.2023 | 31.03.2024 | 31.03.2023 |
| Office | 28.032 | 23.795 | 101.462 | 111.552 |
| General sales and administration | 25.182 | -38.071 | 100.361 | 87.918 |
| Business development of promotion | 13.408 | 19.650 | 50.342 | 41.705 |
| Legal, accounting and secretarial | 30.790 | 38.763 | 72.364 | 70.217 |
| Loss on debtors | -1.353 | -3.932 | -1.632 | -2.072 |
| | **96.059** | **40.204** | **322.897** | **309.320** |

*(in €)*

| NOTE 23: CURRENT TAX ACTUAL PERIOD | For the quarter ended | | For the period ended | |
|---|---|---|---|---|
| | 31.03.2024 | 31.03.2023 | 31.03.2024 | 31.03.2023 |
| Corporation tax and solidarity surcharge | 74.569 | 63.844 | 290.600 | 161.962 |
| City tax | **77.436** | 65.338 | 302.000 | 167.338 |
| Withholding tax | 0 | 0 | 0 | 0 |
| | **152.005** | **129.182** | **592.600** | **329.300** |

*(in €)*

| NOTE 24: TAX FOR PRIOR PERIODS | For the quarter ended | | For the period ended | |
|---|---|---|---|---|
| | 31.03.2024 | 31.03.2023 | 31.03.2024 | 31.03.2023 |
| Corporation tax and solidarity surcharge | -47.933 | 0 | -47.933 | 0 |
| City tax | -38.155 | 0 | -38.155 | 0 |
| Other tax | -2.146 | 0 | -2.146 | 0 |
| | **-88.234** | **0** | **-88.234** | **0** |

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## Notes to the Financial Statements for the year ended 31st March 2024

*(in €)*

| NOTE 25: DEFERRED TAXES | For the quarter ended | | For the period ended | |
|---|---|---|---|---|
| | 31.03.2024 | 31.03.2023 | 31.03.2024 | 31.03.2023 |
| Difference between German Tax and IndAS | -16.364 | -19.990 | 1.390 | -10.074 |
| | **-16.364** | **-19.990** | **1.390** | **-10.074** |

*(in €)*

| NOTE 26: EARNING PER SHARE | For the quarter ended | | For the period ended | |
|---|---|---|---|---|
| | 31.03.2024 | 31.03.2023 | 31.03.2024 | 31.03.2023 |
| Profit after tax for continuing operations | 322.954 | 256.090 | 1.232.396 | 657.535 |
| Profit attributable to shareholder | 322.954 | 256.090 | 1.232.396 | 657.535 |
| Weight average no. of share for basic | 100 | 100 | 100 | 100 |
| | **3.230** | **2.561** | **12.324** | **6.575** |

**1. Fair Value Measurements**

**a) Financial Instruments by Category**

**The following table presents carrying amount and fair value of each category of financial asset and liabilities as 31.03.2024**

| NOTE 26: EARNING PER SHARE | | 31.03.2024 Fair Value | 31.03.2024 | 31.03.2023 Fair Value | 31.03.2023 |
|---|---|---|---|---|---|
| a) Financial Assets | | | | | |
| Assets Carried at Amortised Costs | | | | | |
| i) Trade receivables | 3 | 962.698 | 962.698 | 935.007 | 935.007 |
| ii) Cash and cash equivalents | 4 | 4.355.722 | 4.355.722 | 1.237.306 | 1.237.306 |
| iii) other bank balances | 4 | 6.999.790 | 6.999.790 | 20.023.551 | 20.023.551 |
| iiii) Other financial assets | 5 | 713.953 | 713.953 | 1.694.889 | 1.694.889 |
| **Total Financial Assets** | | **13.032.164** | **13.032.164** | **23.890.753** | **23.890.753** |

| | | 31.03.2024 Fair Value | 31.03.2024 | 31.03.2023 Fair Value | 31.03.2023 |
|---|---|---|---|---|---|
| a) Financial Liabilities | | | | | |
| Liabilties Carried at Amortised Costs | | | | | |
| i) Trade payables | 10 | 1.122.979 | 1.122.979 | 1.329.500 | 1.329.500 |
| ii) Other financial liabilities | 11 | 93.913 | 93.913 | 175.563 | 175.563 |
| **Total Financial Liabilities** | | **1.216.892** | **1.216.892** | **1.505.062** | **1.505.062** |

**b) Fair Value Measurement**

The fair values of financial assets and liabilities are included at the amount 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. Methods and assumptions used to estimate the fair values are consistent with those used for the quarter ended 31 March 2024.

The following methods and assumptions were used to estimate the fair value

i) In respect of investments in mutual funds, the fair value represents net asset value as stated by the issuers of these mutual fund units in the publised statement. Net asset values represent the price at which the issuer will issue the further units in the mutual fund and the price at which issuers will redeem such units from the investors. Accordingly, such net asset values are analogous to fair market value with respect to these investments, as transactions of these mutual funds are carried out at such prices between investors and the issuers of these units of mutual funds.

ii) In respect of security deposits given and security deposits accepted which are non-interest bearing, the company has used discounted cash flows to arrive at fair value at the Balance Sheet date.

iii) The management assessed that fair values of trade receivables, cash and cash equivalents, other bank balances, other financial assets (current), trade payables, borrowings (current) and other financial liabilities (current), approximate to their carrying amounts largely due to the short-term maturities of these instruments.

TKM Global Logistics Limited

## Notes to the Financial Statements for the year ended 31st March 2024

**c) Fair Value hierarchy**

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value. To provide an indication about the reliability of the inputs used determining fair value, the company has classified its financial instruments into three levels prescribed under the accounting standard. An explanation of each level follows below:

**Level 1:** Level 1 hierarchy includes financial instruments measured using quote prices. This includes mutual funds. The mutual funds are valued using the closing Net Asset Value.

**Level 2:** The fair value of financial instruments that are not traded in active market (for example, over-the counter derivative) is determined using valuation techniques which maximise the use of observable market data and rely as little a possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instruments is included in level 2.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

**2. Financial Risk Management**

The company's activities expose it to credit risk, liquidity risk and market risk. The company's senior management oversees the management of above risks. The senior executives working to manage the financial risks are accountable to the Audit Committee and the Board of Directors. This process provides assurance to the Company's senior management that the company financial risks-taking activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the company's policies and the company's risk appetite.

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk. The board of and agees policies for managing each of these risks, which are summarised below:

**a) Credit Risk**

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The company is exposed to credit risk from its operating activities (primarily Trade Receivables) and from its investing activities (primarily Term Deposits with banks).

**Trade receivables**

Trade receivables are typically unsecured and are derived from revenue earned from customers. Customer credit risk is managed centrally and is subject to the company's policy and procedures which involve credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the company grants credit terms in the normal course of business Outstanding customer receivables are regularly monitored. The company uses expected credit loss model to assess the impairment loss.

The company uses a provision matrix to compute the expected credit loss allowance for trade receivables. The provision matrix takes into account available external and internal credit risk factors and the company's historical experience with customers.

**Other financial assets**

Credit risk from balance with banks, term deposits, loans and investments is managed by company's finance department . Investments of surplus funds are made only with approved counterparties, who meet the minimum threshold requirement. The company's maximum exposure to credit risk for the components of the Balance Sheet as 30 September 2019 and 30.09.2018 is the carrying amounts.

**Net Gains/Net Losses on Financial Assets measured at Amortised Cost**

| Reconciliation of Loss Allowance Provision | 31.03.2024 | 31.03.2023 |
|---|---|---|
| Opening Balance | 66.480 | 68.552 |
| Loss Allowance during the year | | |
| Bad debts during the year adjusted with provisions | -14.283 | -2.072 |
| **Closing Balance** | **52.197** | **66.480** |

| Other income | For the quarter ended | | For the period ended | |
|---|---|---|---|---|
| | 31.03.2024 | 31.03.2023 | 31.03.2024 | 31.03.2023 |
| Interest | 123.469 | 82.394 | 643.370 | 124.924 |
| | **123.469** | **82.394** | **643.370** | **124.924** |

TKM Global Logistics Limited

## Notes to the Financial Statements for the year ended 31st March 2024

**b) Liquidity risk**

Liquidity risk is the risk that the company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The company's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements.

The company closely monitors its liquidity position and maintains adequate sources of financing.

**c) Market risk**

i) Foreign Currency Exchange Rate Risk:

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The company transacts business in local and foreign currency.

The company closely monitors its assets and liabilities in foreign currency and carries out activities if assets and liabilities in foreign currency exceed certain limits.

ii) Interest Rate Risk:

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The company do not have any interest bearing financial liabilities. The Company's interest earning financial assets are term deposits with banks, which are fixed rate interest bearing investments and accordingly, the company is not significantly exposed to interest rates.

**3. Capital Management**

The company's objectives when managing capital are to

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

The company determines the amount of capital required on the basis of annual business plan also taking into consideration any long term strategic investment and expansion plans. The funding needs are met through equity and cash generated from operations.

| Earnings per share | For the quarter ended | | For the period ended | |
|---|---|---|---|---|
| | 31.03.2024 | 31.03.2023 | 31.03.2024 | 31.03.2023 |
| Profit after tax for continuing operations | 322.954 | 256.090 | 1.232.396 | 657.535 |
| Profit attributable to shareholder | 322.954 | 256.090 | 1.232.396 | 657.535 |
| Weight average no. of share for basic | 100 | 100 | 100 | 100 |
| | **3.230** | **2.561** | **12.324** | **6.575** |

Last year in the statement of profit and loss there was a formula error in Earnings Per Share.

**<u>Transaction with related parties</u>**

| Transaction (services rendered) | For the quarter ended | | For the period ended | |
|---|---|---|---|---|
| | 31.03.2024 | 31.03.2023 | 31.03.2024 | 31.03.2023 |
| TKM India | 8.027 | 46.292 | 44.730 | 105.096 |
| TMILL | 0 | 0 | 0 | -45.443 |
| Tata Steel, India | 109.590 | 56.166 | 278.412 | 372.667 |
| Tata Steel Europe | 0 | 0 | 0 | 0 |
| Tata Limited London | 700.849 | 1.362.158 | 3.813.883 | 7.058.479 |
| Tata Sons | 0 | 0 | 0 | 0 |
| Tata Taco Nanjing | 14.878 | 9.829 | 47.610 | 68.889 |
| Tata Hitach | 0 | 0 | 0 | 0 |
| ISL Dubai | 7.370 | 0 | 7.370 | 4.521 |
| Jaguar Landrover | 0 | 0 | 1.546.568 | 0 |
| Valtas | 0 | 0 | 0 | 0 |
| TKM China | 0 | 0 | 9.434 | 0 |







TKM Global Logistics Limited

Notes to the Financial Statements for the year ended 31st March 2024

| Transaction (services rendered) | For the quarter ended | | For the period ended | |
|---|---|---|---|---|
| | 31.03.2024 | 31.03.2023 | 31.03.2024 | 31.03.2023 |
| **Direct costs (service availed)** | | | | |
| TKM India | 115.711 | 22.461 | 200.827 | 157.520 |
| TMILL | QI | 0 | 0 | 0 |
| Tata Steel, India | 0 | 0 | 0 | 0 |
| Tata Limited London | QI | 0 | 0 | 0 |
| Tata Sons | 0 | 0 | 0 | 0 |
| Tata Tacon Nanjing | 0 | 0 | 0 | 0 |
| ISL Dubai | 0 | 0 | 0 | 1.580.513 |
| TKM China | 331.057 | 510.884 | 1.019.292 | 2.896.914 |

| Outstanding trade receivables | 31.03.2024 | 31.03.2023 |
|---|---|---|
| TKM India | 4.471 | 45.232 |
| -doubtful debts TKM India | 0 | -13.952 |
| TMILL | 0 | 0 |
| ISL | 3.685 | 0 |
| Tata Group Indien | 167.467 | 148.922 |
| -doubtful debts Tata Steel | -42.000 | -42.000 |
| Tata London | 475.214 | 223.710 |
| TATA Steel NL | 0 | 97.561 |
| Taco Nanjing | 0 | 86.306 |
| TKM China | 0 | 0 |
| | **608.837** | **545.779** |
| **Outstanding payable receivable** | | |
| TKM India | 60.369 | 29.946 |
| Tata Steel, India | 56.881 | 56.881 |
| Tata limited London | 0 | 0 |
| TMILL | 0 | 0 |
| Taco Nanjing | 0 | 0 |
| TKM China | 28.686 | 265.555 |
| **Outstanding** | **145.935** | **352.382** |
| **Contract liabilities** | | |
| Tata limited London | 463.592 | 3.902.545 |
| Jaguar Landrover | **1.714.395** | **0** |

**8.**

| Contingent Liabilities | 31.03.2024 | 31.03.2023 |
|---|---|---|
| Banker Letter Guarantee | 66.048 | 66.048 |
| | **66.048** | **66.048** |

**Approved by managing directors on**

**For TKM Global GmbH**

# NOTES

# TKM Global China Limited

Statutory Reports & Financial Statements

# TKM GLOBAL CHINA LIMITED
# CORPORATE INFORMATION

**Board of Directors**

As on 1st April, 2024

**Directors**

Mr. Dinesh Shastri
Mr. Amar Patnaik
Mr. Nandan Nandi

**Registered Office**

Unit D, 9th Floor, No.918
Huai Hai Road (Middle),
Huangpu District,
Shanghai – 200020,
P.R.China
Tel: +8621 6415 5365

**Management Team**

Mr. Chirag Bijlani- General Manager

**Auditors**

M/s. Shanghai Jia Liang, CPAs

**Bankers**

HSBC Bank





# TKM GLOBAL CHINA LIMITED
# DIRECTORS' REPORT

*TO THE MEMBERS,*

The Directors hereby present their twelfth report on the business and operations of the Company and the financial accounts for the year ended 31st March, 2024.

The Company was formed on 25th June, 2008 with limited liability based on the Foreign-Invested Enterprise law of the People's Republic of China. The business license was issued by Shanghai Administration for Industry and Commerce of the PRC.

The Company is a wholly owned subsidiary of TKM Global Logistics Limited, which is incorporated in India.

## FINANCIAL RESULTS:

| Details | 31.03.2024 | 31.03.2024 | 31.03.2023 | 31.03.2023 |
|---|---|---|---|---|
| | Amount in INR | Amount in RMB | Amount in INR | Amount in RMB |
| Revenue | 210,752,542 | 18,326,308 | 432,676,713 | 37,624,062 |
| Less: Direct Costs | 183,374,780 | 15,945,633 | 391,873,575 | 34,075,963 |
| **Gross Profit** | **27,377,763** | **2,380,675** | **40,803,138** | **3,548,099** |
| Less: Administrative Expenses | 31,034,625 | 2,698,663 | 26,947,640 | 2,343,273 |
| **Profit/(Loss) from Operating Activities** | **(3,656,862)** | **-317,988** | **13,855,498** | **1,204,826** |
| Add: Other Income | 51,083 | 4,442 | -235,819 | -20,506 |
| Less: Income Tax expense | (134,941) | -11,734 | 497,870 | 43,293 |
| **Net profit/(Loss) for the year** | **(3,470,838)** | **-301,812** | **13,121,811** | **1,141,027** |

## OPERATIONAL REVIEW

During the year under review, the Company earned a Total Revenue of RMB 18,326,308 (Rs.210,752,542) vis-à-vis RMB 37,624,062 (Rs.432, 676,713) - during the previous financial year.

The Net Loss for FY'24 was RMB 301,812 (Rs. 3,470,838/-) against a Net Profit RMB1,141,027 (Rs. 13,121,811/-) in the previous year.

During this period, sea freight FCL export volumes were 2,116 TEUS against 2,385 TEUS in the previous year and LCL export volumes were 913 W/M as compared to the previous year 1,084 W/M.

The airfreight volumes were 98,858 KGs as compared to 136,765 KGs in the previous year, nomination businesses accounted for 63,545 KGs, 60% of this volume was acquired from new customers.

Break bulk exports volumes were 9,385 FRTs, as compared 31,441 FRTs in the previous year, which included 1,324 FRTs of door-to-door delivery from direct sales, while project movement from TKM GmbH nominations A/c TSK were low.

During the period, the operating contribution percentage stood at approx. 13.65 % as compared to 10.23% of the last year, with volatile market conditions and falling freight market towards sluggish demand prevailed in FY'24.

During the year, a positive operating cash flow was maintained while outstanding were kept under control.

## OPPORTUNITIES AND CHALLENGES

China's crucial role as a global manufacturer is unlikely to abate, and cyclical demand for exports could remain healthy. Deglobalization and de-risking are often pointed to as risks, but the data shows that supply chains are simply lengthening with China's role still intact, and much of the discussed investments flowing into Indonesia and Vietnam are in fact Chinese manufacturers extending their own supply chains.

The transport and logistics industry are facing a testing combination of declining demand for freight alongside increasing capacity. In addition, global tensions, and conflicts around the world – both existing and emerging - have the potential to impact supply chain operations and investments.

Operational efficiency will be equally important to maximize profitability. At the same time, rates will continue to be impacted as carriers compete for a smaller pool of cargo.

Propelled by customer demands and a need for greater visibility, investments in advanced technology solutions is becoming the market need, digital tools are also key to maximising freight forwarders' ability to anticipate and respond to crises, as well as to enable better decision-making and optimisation for sustainability. While 2024 will be a year of significant challenges where businesses will have to withstand economic uncertainty, political instability, and technological disruption. At the same time, there will be the potential to benefit from new opportunities, again in the realm of technology, as well as in sustainability.

### DIRECTORS

The Board of the Company comprises of 3 (Three) Non-Independent Non-Executive Directors.

As on 31st March, 2024, Mr. Dinesh Shastri, Mr. Amar Patnaik and Mr. Nandan Nandi continued to be the Directors on the Board of the Company.

### AUDITORS

M/s. Shanghai Jia Liang CPAs are the Statutory Auditors of the Company and being eligible, have offered themselves for reappointment.

### AUDIT OBSERVATIONS & EXPLANATIONS

No qualification, reservation or adverse remark or disclaimer have been made by the Auditor's in their report.

### ACKNOWLEDGEMENT

I wish to take the opportunity to place on record my sincere appreciation and gratitude for the continued assistance, support and co-operations extended by all Government Authorities, Banks, Overseas Associates, Clearing Agents, Shipping Lines, Air Lines, and other business associates and last but not the least the Members of the Company.

**For TKM Global China Limited**

**Chirag Bijlani,**
**(General Manager)**

Date: 7th May 2024
Place: China



TKM GLOBAL CHINA LIMITED

# INDEPENDENT AUDITORS' REPORT

To the Shareholder of **TKM Global China Limited**
(established in the People's Republic of China with limited liability)

### Opinion

We have audited the financial statements of TKM Global China Limited ("the Company"), which comprise the statement of financial position as at 31 March 2024, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 March 2024 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Other information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Company's financial reporting process.

### Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the 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 ISAs 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 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 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, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Company audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Shanghai Jialiang CPAs**
**Shanghai . China**
**19 April 2024**





# NOTES

TKM GLOBAL CHINA LIMITED

## Statement of Financial Position as at 31st March, 2024

CURRENCY: RMB

| | Note No. | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Other intangible assets | 11 | 44,219 | 50,709 |
| Property, plant and equipment | 9 | 102,883 | 123,536 |
| Right-of-use assets | 10 | 346,162 | - |
| Deferred tax assets | 7 | 7,318 | - |
| **Total non-current assets** | | **500,582** | **174,245** |
| **Current Assets** | | | |
| Trade and other receivables | 12 | 1,381,696 | 1,140,546 |
| Amount due from related companies | 17 | 410,302 | 2,536,229 |
| Current tax assets | 7 | 9,013 | - |
| Cash and cash equivalents | 18 | 4,982,048 | 5,831,624 |
| **Total current assets** | | **6,783,059** | **9,508,399** |
| **Total assets** | | **7,283,641** | **9,682,644** |
| **EQUITY AND LIABILITIES** | | | |
| **EQUITY** | | | |
| Share capital and premium | 13 | 6,834,500 | 6,834,500 |
| Accumulated losses | 14 | (993,014) | (691,202) |
| **Total Equity** | | **5,841,486** | **6,143,298** |
| **Non-Current Liabilities** | | | |
| Lease liabilities | 15 | 197,507 | - |
| Deferred tax liabilities | 7 | 7,292 | 13,533 |
| **Total Non-Current Liabilities** | | **204,799** | **13,533** |
| **Current Liabilities** | | | |
| Lease liabilities | 15 | 161,935 | - |
| Trade and other payables | 16 | 724,357 | 3,511,654 |
| Amount due to related companies | 17 | 351,064 | 3,486 |
| Current tax liabilities | 7 | - | 10,673 |
| **Total current liabilities** | | **1,237,356** | **3,525,813** |
| **Total liabilities** | | **1,442,155** | **3,539,346** |
| **Total equity and liabilities** | | **7,283,641** | **9,682,644** |

TKM GLOBAL CHINA LIMITED

## Statement of Profit and Loss for the year ended 31st March, 2024

CURRENCY: RMB

| | Note No. | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|---|
| **Revenue** | 5 | 18,326,308 | 37,624,062 |
| Cost of Sales | | (15,945,633) | (34,075,963) |
| **Gross profit** | | **2,380,675** | **3,548,099** |
| Administration expenses | | (2,664,518) | (2,337,871) |
| Finance income | 6 | 3,414 | 3,589 |
| Other gains and losses | | 1,028 | (24,095) |
| Finance costs | | (34,145) | (5,402) |
| **(Loss)/ profit before income tax** | | **(313,546)** | **1,184,320** |
| Income tax credit/(expense) | 7 | 11,734 | (43,293) |
| **(Loss)/ profit for the year** | 8 | **(301,812)** | **1,141,027** |
| **Other comprehensive income for the year, net of tax** | | **-** | **-** |
| **Total comprehensive (loss)/income for the year** | | **(301,812)** | **1,141,027** |

TKM GLOBAL CHINA LIMITED

## Statement of Changes in Equity for Year ended 31st March, 2024

CURRENCY: RMB

| | Issued capital | Accumulated losses | Total |
|---|---|---|---|
| **Balance at 1 April 2022** | 6,834,500 | (1,832,229) | 5,002,271 |
| Profit for the year | - | 1,141,027 | 1,141,027 |
| Total comprehensive loss for the year | - | 1,141,027 | 1,141,027 |
| **Balance at 31 March 2023** | **6,834,500** | **(691,202)** | **6,143,298** |
| | | | |
| **Balance at 1 April 2023** | **6,834,500** | **(691,202)** | **6,143,298** |
| Loss for the year | - | (301,812) | (301,812) |
| Total comprehensive income for the year | - | (301,812) | (301,812) |
| **Balance at 31 March 2024** | **6,834,500** | **(993,014)** | **5,841,486** |





TKM GLOBAL CHINA LIMITED

## Cash Flow Statement for the year ended 31st March, 2024

CURRENCY: RMB

| | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|
| **Cash flows from operating activities** | | |
| (Loss)/profit before income tax | (313,546) | 1,184,320 |
| **Adjustments for:** | | |
| Finance income | (3,414) | (3,589) |
| Finance costs | 34,145 | 5,402 |
| Losses on disposal of property, plant and equipment | - | 25,189 |
| Depreciation on property, plant and equipment | 70,653 | 72,477 |
| Depreciation on right-of-use assets | 139,796 | 133,106 |
| Amortisation of intangible assets | 6,490 | 6,489 |
| Net foreign exchange loss/(gain) | 13,892 | (2,600) |
| **Operating (loss)/profit before movements in working capital** | **(51,984)** | **1,420,794** |
| | | |
| *Movements in working capital* | | |
| (Increase)/decrease in trade and other receivables | (241,150) | 988,796 |
| Decrease in amount due from related companies | 2, 125,927 | 544,202 |
| Decrease in trade and other payables | (2,787,297) | (3,034,341) |
| Increase/(decrease) in amount due to related companies | 347,578 | (24,576) |
| | | |
| Cash used in operations | **(606,926)** | **(105,125)** |
| | | |
| Income taxes paid | (21,511) | (47,096) |
| | | |
| **Net cash used in operating activities** | **(628,437)** | **(152,221)** |
| | | |
| **Cash flows from investing activities** | | |
| Proceeds on disposal of property, plant and equipment | - | 1,650 |
| Interest received | 3,414 | 3,589 |
| Purchase of property, plant and equipment | (50,000) | (45,145) |
| **Net cash used in investing activities** | **(46,586)** | **(39,906)** |
| | | |
| **Cash flows from financing activities** | | |
| Payments for right-of-use assets | (160,661) | (130,500) |
| | | |
| **Net cash used in financing activities** | **(160,661)** | **(130,500)** |
| | | |
| **Net decrease in cash and cash equivalents** | **(835,684)** | **(322,627)** |
| **Cash and cash equivalents at 1 April** | 5,831,624 | 6,151,651 |
| **Effects of exchange rate changes** | (13,892) | 2,600 |
| **Cash and cash equivalents at 31 March** | **4,982,048** | **5,831,624** |

TKM GLOBAL CHINA LIMITED

## Notes to the Financial Statements for the year ended 31st March 2024

### 1. General information

TKN Global China Limited (the "Company") is a limited company incorporated in Shanghai, China. Its parent Company is TKM Global Logistics Limited. Its ultimate controlling party is TATA Steel Ltd. The principal activities of the Company include undertaking ocean shipping, land transportation and air-express for import and export product, int'l transportation agent of international display.

### 2. Statement of compliance

The financial statements on pages 4 to 29 have been prepared in accordance with International Financial Reporting Standards ("IFR5s") which include all applicable International Financial Reporting Standards, International Accounting Standards and Interpretations issued by the International Accounting Standards Board.

### 3. Significant accounting policies

**3.1 Basis of preparation**

The financial statements have been prepared on the historical cost basis except for certain properties and financial instruments that are measured at revalued amounts or fair values at each reporting date, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2, leasing transactions that are within the scope of IAS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 or value in use in IAS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date;
- Level 2 other than quoted prices included within Level 1that are observable for the asset or liability, either directly or indirectly; and
- Level 3 unobservable inputs for the asset or liability.

**3.2 Revenue recognition**

To determine whether to recognise revenue, the Company follows a 5-step process:

(a) Identifying the contract with a customer;

(b) Identifying the performance obligations;

(c) Determining the transaction price;

(d) Allocating the transaction price to the performance obligations;

(e) Recognising revenue when/as performance obligation(s) are satisfied.

The Company shall account for a contract with a customer when all of the following criteria are met:

(a) the parties to the contract have approved the contract (in writing, orally or in accordance with other customary business practices) and are committed to perform their respective obligations;

(b) the Company can identify each party's rights regarding the goods or services to be transferred;

(c) the Company can identify the payment terms for the goods or services to be transferred;

(d) the contract has commercial substance (i.e. the risk, timing or amount of the Company's future cash flows is expected to change as a result of the contract); and

(e) it is probable that the Company will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer. In evaluating whether collectability of an amount of consideration is probable, the Company shall consider only the customer's ability and intention to pay that amount of consideration when it is due. The amount of consideration to which the Company will be entitled may be less than the price stated in the contract if the consideration is variable because the Company may offer the customer a price concession.

The Company shall recognise revenue when (or as) the Company satisfies a performance obligation by transferring a promised good or service (i.e. an asset) to a customer.

The Company transfers control of a good or service over time and, therefore, satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:





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Notes to the Financial Statements for the year ended 31st March 2024

(a) the customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs;

(b) the Company 's performance creates or enhances an asset (for example, work in progress) that the customer controls as the asset is created or enhanced; or

(c) the Company 's performance does not create an asset with an alternative use to the Company and the Company has an enforceable right to payment for performance completed to date.

If a performance obligation is not satisfied over time in accordance with the above paragraphs, the Company satisfies the performance obligation at a point in time.

When (or as) a performance obligation is satisfied, the Campany shall recognise as revenue the amount of the transaction price that is allocated to that performance obligation.

The Company shall consider the terms of the contract and its customary business practices to determine the transaction price. When determining the transaction price, the Company shall consider the effects of all of the following: (a) variable consideration; (b) constraining estimates of variable consideration; (c) the existence of a significant financing component in the contract; (d) non-cash consideration; and (e) consideration payable to a customer.

**3.3 Operating expenses**

Operating expenses are recognised in profit or loss upon utilisation of the service or as incurred. Expenditure for warranties is recognised when the Company incurs an obligation, which is typically when the related goods are sold.

**3.4 Leasing**

**The Company as lessee**

The Company assesses whether a contract is or contains a lease, at inception of a contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate.

The incremental borrowing rate depends on the term, currency and start date of the lease and is determined based on a series of inputs including: the risk-free rate based on government bond rates; a country-specific risk adjustment; a credit risk adjustment based on bond yields; and an entity-specific adjustment when the risk profile of the entity that enters into the lease is different to that of the Company and the lease does not benefit from a guarantee from the Company.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the consolidated statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

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The Company did not make any such adjustments during the periods presented.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. The costs are included in the related right-of- use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the statement of financial position.

The Company applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss.

Variable rents that do not depend on an index or rate are not included in the measurement the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line "other expenses" in the statement of profit or loss.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Company has not used this practical expedient.

**Recognition exemptions for the Company as lessee**

The Company may elect not to apply the above requirements to short-term leases and leases for which the underlying asset is of low value.

The Company shall recognise the lease payments associated with those leases as an expense on either a straight-line basis over the lease term or another systematic basis.

**3.5 Foreign currencies**

In preparing the financial statements, transactions in currencies other than the Company's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non- monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- exchange differences on transactions entered into in order to hedge certain foreign currency risks; and
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

**3.6 Employee benefits**

**Retirement benefit costs and termination benefits**

The Company's PRC employees are enrolled in the mandatory central pension plan operated by the local municipal government. The Company is required to make a contribution of the basic and other salaries of the employees or that specified by the local municipal government, to the central pension plan to fund the retirement benefits. The local municipal government undertakes to assume the retirement benefits obligations of all existing and future retired PRC employees. The only obligation of the Company in respect to the central pension plan is to meet the required contribution under the plan. The contributions are charged to the "statement of profit or loss" as they become payable in accordance with the rules of the central pension plan.

**3.7 Taxation**

Income tax expense represents the sum of the tax currently payable and deferred tax.



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Notes to the Financial Statements for the year ended 31st March 2024

**Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit or loss and other comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgment of tax professionals within the Company supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

**Deferred tax**

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, a deferred tax liability is not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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

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

For the purposes of measuring deferred tax liabilities and deferred tax assets for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale. The directors of the Company reviewed the Company's investment property portfolios and concluded that none of the Company's investment properties are held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time, rather than through sale. Therefore, the directors have determined that the 'sale' presumption set out in the amendments to IAS 12 is not rebutted. As a result, the Company has not recognised any deferred taxes on changes in fair value of the investment properties as the Company is not subject to any income taxes on the fair value changes of the investment properties on disposal.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

**Current and deferred tax for the year**

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

**3.8 Property, plant and equipment**

Land and buildings held for use in the production or supply of goods or services for rental to others (excluding investment

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## Notes to the Financial Statements for the year ended 31st March 2024

properties), or for administrative purposes, are stated in the statement of financial position at their revalued amounts, being the fair value at the date of revaluation, less any accumulated depreciation and accumulated impairment losses. Revaluations are performed with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair values at the reporting date.

The proceeds from selling items produced before the asset is available for use, i.e. proceeds while bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, should be recognised as sales proceeds in profit or loss. Consequently, the related cost should be measured in accordance withISA 12 and be recognised as cost of sales in profit or loss as well.

Any revaluation increase arising on the revaluation of such land and buildings is recognised in other comprehensive income and accumulated in equity, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously expensed. A decrease in the carrying amount arising on the revaluation of such land and buildings is recognised in profit or loss to the extent that it exceeds the balance, if any, held in the properties revaluation reserve relating to a previous revaluation of that asset.

Depreciation on revalued buildings is recognised in profit or loss. On the subsequent sale or retirement of a revalued property, the attributable revaluation surplus remaining in the properties revaluation reserve is transferred directly to retained earnings.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Plant, machinery, fixtures and fittings are stated at cost less accumulated depreciation and accumulated impairment loss.

Depreciation is recognised so as to write off the cost or valuation of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Right-of-use assets are depreciated over the shorter period of the lease term and the useful life of the underlying asset.If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

**3.9 Intangible assets**

**Intangible assets acquired separately**

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

**Derecognition of intangible assets**

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecogn ition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

**3.10 Impairment of tangible and intangible assets**

At each reporting date, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest Company of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risM specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

**3.11 Financial instruments**

**Recognition and derecognition**

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

**Classification and initial measurement of financial assets**

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance withIFRS 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable) .

Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

- amortised cost;
- fair value through profit or loss (FVTPL); or
- fair value through other comprehensive income (FVOCI).

The classification is determined by both:

- the entity's business model for managing the financial asset; and
- the contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

**Subsequent measurement of financial assets**

***Financial assets at amortised cost***

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

**Financial assets at fair value through profit or loss (FVTPL)**

Financial assets held within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorised at FVTPL. Further, irrespective of the business model used, financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVTPL. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements apply.

Assets in this category are measured at fair value with gains or losses recognised in profit or loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

**Financial assets at fair value through other comprehensive income (FVOCI)**

The Company accounts for financial assets at FVOCI if the assets meet the following conditions:

- they are held under a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Any gains or losses recognised in other comprehensive income (OCI) will be recycled upon derecognition of the asset.

**Impairment of financial assets**

IFRS 9's impairment requirements use forward-looking information to recognise expected credit losses - the ' expected credit loss (ECL) model'.Instruments within the scope of the requirements included loans and other debt-type financial assets measured at amortised cost and FVOCI,trade receivables, contract assets recognised and measured under IFRS 15 and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

The Company considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stagel}; and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2).

'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date.

'12-month expected credit losses' are recognised for the first category (i.e. Stage 1) while 'lifetime expected credit losses' are recognised for the second category (i.e. Stage 2).

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

**Trade and other receivables and contract assets**

The Company makes use of a simplified approach in accounting for trade and other receivables as well as contract assets and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating, the Company uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

The Company assess impairment of trade receivables on a collective basis as they possess shared credit risk characteristics they have been grouped based on the days past due.

**Classification and measurement of financial liabilities**

The Company's financial liabilities include borrowings, trade and other payables and derivative financial instruments.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Company designated a financial liability at FVTPL.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

**3.12 Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments maturing within 90 days from the date of acquisition that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are included in liabilities.

## 4. Significant management judgment in applying accounting policies and estimation uncertainty

When preparing the financial statements, management makes a number of judgments, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

**4.1 Significant management judgments**

The following are the judgments made by management in applying the accounting policies of the Company that have the most significant effect on the financial statements.

***Recognition of contract revenue over time or at a point in time***

For some of the Company's contracts with customers significant judgment is required to assess whether control of the related performance obligation(s) transfers to the customer over time or at a point in time in accordance with IFRS 15. Specifically, for contracts that involve developing a customer-specific asset with no alternative use to the Company, judgment is needed to determine whether the Company is entitled to payment for its performance throughout the contract period if the customer sought to cancel the contract.

***Recognition of service and construction contract revenues***

As revenue from after-sales maintenance agreements and construction contracts is recognised over time, the amount of revenue recognised in a reporting period depends on the extent to which the performance obligation has been satisfied. For after-sales maintenance agreements this requires an estimate of the quantity of the services to be provided, based on historical experience with similar contracts. In a similar way, recognising revenue for construction contracts also requires significant judgment in determining the estimated number of hours required to complete the promised work when applying the hours-to-hours method.

***Recognition of deferred tax assets***

The extent to which deferred tax assets can be recognised is based on an assessment of the probability that future taxable income will be available against which the deductible temporary differences and tax loss carry forwards can be utilised. In addition, significant judgment is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions.

**4.2 Estimation uncertainty**

Information about estimates and assumptions that may have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

***Impairment of non-financial assets***

In assessing impairment, management estimates the recoverable amount of each asset or cash-generating unit based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

***Useful lives of depreciable assets***

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technological obsolescence that may change the utility of certain software and IT equipment.

***Fair value measurement***

Management uses valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible but this is not always available. In that case, management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

***Leases - determination of the appropriate discount rate to measure lease liabilities***

As noted above, the Company enters into leases with third-party landlords and as a consequence the rate implicit in the relevant lease is not readily determinable. Therefore, the Company uses its incremental borrowing rate as the discount rate for determining its lease liabilities at the lease commencement date. The incremental borrowing rate is the rate of interest that the Company would have to pay to borrow over similar terms which requires estimations when no observable rates are available.

The Company consults with its main bankers to determine what interest rate they would expect to charge the Company to borrow money to purchase a similar asset to that which is being leased. These rates are, where necessary, then adjusted to reflect the credit worthiness of the entity entering into the lease and the specific condition of the underlying leased asset.

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## Notes to the Financial Statements for the year ended 31st March 2024

CURRENCY: RMB

### 5. Revenue

The following is an analysis of the Company's revenue:

| | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|
| Revenue from the rendering of services | 18,326,308 | 37,624,062 |

**Revenue from major products and services**

The following is an analysis of the Company's revenue from its major products and services:

| | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|
| International forwarding | 18,326,308 | 37,624,062 |

### 6. Financial income

| | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|
| Interest income: | | |
| - Bank deposits | 3,414 | 3,589 |

### 7. Income tax credit/(expense)

**7.1 Income tax credit/(expense) recognised in profit or loss**

| | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|
| Current tax expense | (1,825) | (46,364) |
| Deferred tax income | 13,559 | 3,071 |
| Total income tax credit/(expense) | **11,734** | **(43,293)** |

The income tax credit/(expense) for the year can be reconciled to the accounting (loss)/profit as follows:

| | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|
| (Loss)/profit before income tax | (313,546) | 1,184,320 |
| Income tax credit/(expense) calculated at 5% (last year: 2.5%) | 15,677 | (29,608) |
| Effect of expenses that are not deductible in determining taxable profit | (117) | (268) |
| Effect of unused tax losses and tax offsets not recognised as deferred tax assets | (14,674) | - |
| Effect on deferred tax balances due to the changes in income tax rate from 2.5% to 5% | 10,848 | (13,417) |
| Income tax credit/(expense) recognised in profit or loss | **11,734** | **(43,293)** |

**7.2 Current tax liabilities/ (assets)**

| | 31/3/23 | Provision | Payment | 31/3/24 |
|---|---|---|---|---|
| Income tax payable/(refund) | **10,673** | **1,825** | **(21,511)** | **(9,013)** |

**7.3 Deferred tax balances**

The following is the analysis of deferred tax assets/(liabilities) presented in the statement of financial position:

| | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|
| Deferred tax assets | 7,318 | - |
| Deferred tax tax liabilities | (7,292) | (13,533) |
| | **26** | **(13,533)** |



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Notes to the Financial Statements for the year ended 31st March 2024

CURRENCY: RMB

**Deferred tax (liabilities)/assets in relation to:**

| | 31/3/23 | Recognised in profit or loss | 31/3/24 |
|---|---|---|---|
| Depreciation | **(13,533)** | **6,241** | **(7,292)** |
| Financial expenses for leasing | | 7,318 | 7,318 |
| | **(13,533)** | **13,559** | **26** |

### 8. (Loss)/profit for the year

(Loss)/profit for the year has been arrived at after charging/(crediting):

**8.1 Depreciation and amortisation expense**

| | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|
| Depreciation of property, plant and equipment | 70,653 | 72,477 |
| Amortisation of intangible assets | 6,490 | 6,489 |
| Depreciation of right-of-use-assets | 139,796 | 133,106 |
| **Total depreciation and amortisation expense** | **2 16,939** | **212,072** |

**8.2 Employee benefits expense**

| | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|
| Salaries | 1,095,142 | 1,107,980 |
| Social welfare | 289,358 | 251,395 |
| **Total employee benefits expense** | **1,384,500** | **1,359,375** |

### 9. Property, plant and equipment

| | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|
| *Carrying amounts of:* | | |
| Equipment & vehicles | 23,005 | 83,255 |
| Computers | 14,316 | 20,848 |
| Furniture & fixtures | 65,562 | 19,433 |
| | **102,883** | **123,536** |

| | Equipment & vehicles | Computers | Furniture & fixtures | Total |
|---|---|---|---|---|
| ***Cost*** | | | | |
| Balance at 1 April 2023 | 301,254 | 26,126 | 19,484 | **346,864** |
| Additions | - | - | 50,000 | **50,000** |
| Balance at 31 March 2024 | 301,254 | 26,126 | 69,484 | **396,864** |
| | | | | |
| ***Accumulated depreciation*** | | | | |
| Balance at 1 April 2023 | (217,999) | (5,278) | (51) | **(223,328)** |
| Depreciation expense | (60,250) | (6,532) | (3,871) | **(70,653)** |
| Balance at 31 March 2024 | (278,249) | (11,810) | (3,922) | **(293,981)** |

The following useful lives are used in the calculation of depreciation:

| | |
|---|---|
| Balance at 1 April 2023 | Depreciation rates |
| Equipment & vehicles | 20% p.a. |
| Computers | 25% p.a. |
| Furniture & fixtures | 6.33% p.a. |

TKM GLOBAL CHINA LIMITED

## Notes to the Financial Statements for the year ended 31st March 2024

CURRENCY: RMB

### 10. Right-of-use assets

| | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|
| ***Carrying amounts of:*** | | |
| Office lease | 346,162 | - |
| | | Office lease |
| ***Cost*** | | |
| Balance at 1 April 2023 | | - |
| Additions | | 485,958 |
| Balance at 31 March 2024 | | 485,958 |
| | | Office lease |
| ***Accumulated depreciation*** | | |
| Balance at 1 April 2023 | | - |
| Depreciation expense | | (139,796) |
| Balance at 31 March 2024 | | (139,796) |
| The following useful lives are used in the calculation of depreciation:<br>Office lease 33% p.a. | | |

### 11. Other intangible assets

| | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|
| ***Carrying amounts of:*** | | |
| Software | 44,219 | 50,709 |
| | | Software |
| ***Cost*** | | |
| Balance at 1 April 2023 | | 136,100 |
| Balance at 31 March 2024 | | 136,100 |
| | | |
| ***Accumulated amortisation*** | | |
| Balance at 1 April 2023 | | (85,391) |
| Amortisation expense | | (6,490) |
| Balance at 31 March 2024 | | (91,881) |
| The following useful lives are used in the calculation of amortisation :<br>Software 10 years | | |

### 12. Trade and other receivables

| | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|
| Trade receivables | 994,932 | 786,742 |
| Allowance for doubtful debts | - | - |
| | **994,932** | **786,742** |
| Deposits | 63,901 | 61,733 |
| Prepayments & other receivables | 322,863 | 292,071 |
| | **1,381,696** | **1,140,546** |



TKM GLOBAL CHINA LIMITED

Notes to the Financial Statements for the year ended 31st March 2024

CURRENCY: RMB

### 13. Share capital and premium

| | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|
| Share capital | 6,834,500 | 6,834,500 |
| Share premium | - | - |
| | **6,834,500** | **6,834,500** |

### 14. Accumulated losses

| | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|
| Accumulated losses | (993,014) | (691,202) |

| | For the year ended4 March 31, 2023 |
|---|---|
| Balance at beginning | (691,202) |
| Profit attributable to owner of the Company | (301,812 |
| **Balance at end** | **(993,014)** |

### 15. Lease liabilities

| | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|
| Current | 161,935 | - |
| Non-current | 197,507 | - |
| | **359,442** | **-** |

### 16. Trade and other payables

| | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|
| Trade payables | 552,693 | 3,309,475 |
| Non-trade payables | 169,937 | 201,053 |
| VAT & other taxes | 1,727 | 1,126 |
| | **724,357** | **3,511,654** |

### 17. Related party transactions

Details of transactions between the Company and its related parties are disclosed below:

**17.1 Trading transactions**

During the year, Company entities entered into the following trading transactions with related parties:

| | Rendering of services For the year ended | | Purchases of services For the year ended | |
|---|---|---|---|---|
| | 31/3/2024 | 31/3/2023 | 31/3/2024 | 31/3/2023 |
| TKM INDIA | 2,958,067 | 752,496 | 526,730 | 118,348 |
| TKM GERMAN | 7,837,114 | 19,903,725 | 73,321 | 2,570 |
| NANJING TATA | 27,250 | 265,318 | - | - |
| | **10,822,431** | **20,921,539** | **600,051** | **120,918** |

TKM GLOBAL CHINA LIMITED

## Notes to the Financial Statements for the year ended 31st March 2024

CURRENCY: RMB

**17.2 Outstanding balances at the end of the reporting year**

| | Amount due from related parties | | Amount due to related parties | |
|---|---|---|---|---|
| | 31/3/2024 | 31/3/2023 | 31/3/2024 | 31/3/2023 |
| TKM INDIA | 9,678 | 447,589 | 351,064 | 2,268 |
| TKM GERMAN | 400,624 | 2,084,840 | - | 1,218 |
| NANJING TATA | - | 3,800 | - | - |
| | **410,302** | **2,536,229** | **351,064** | **3,486** |

The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received. No expense has been recognised in the Current or prior years for bad or doubtful debts in respect of the amounts owed by related parties.

### 18.Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents include cash on hand and in banks, net of outstanding bank overdrafts. cash and cash equivalents at the end of the reporting year as shown in the statement of cash flows can be reconciled to the related items in the statement of financial position as follows:

| | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|
| Cash and bank balances | **4,982,048** | 5,831,624 |

### 19.Financial risk management

**19.1 Financial risk factors**

The Company's activities are exposed to credit risks, foreign exchange risk and interest rate risk.

**Credit risks**

Credit risk or the risk of counterparties defaulting, is managed through the application of credit approvals, credit limits and monitoring procedures. The Company minimises its exposure to credit risk by dealing with counter parties with acceptable credit rating.

The Company's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful debts, if any, estimated by the Company's directors based on prior experience and their assessment of the current economic environment.

**Foreign exchange risk**

RMB is not freely convertible into other foreign currencies and conversion of RMB into foreign currencies is subject to rules and regulations of foreign exchange control promulgated by the PRC government.

The Company's cash and cash equivalents are deposited with banks in the PRC. The remittance of these funds out of the PRC is subject to the exchange control restrictions imposed by the PRC government.

The Company has not used any forward contracts or currency borrowings to hedge its exposure to foreign currency risk.

**19.2 Fair values**

The fair values of the Company's current financial assets and liabilities are not materially different from their carrying amounts because of the immediate or short term maturity.

### 20.Post-reporting date events

No adjusting or significant non-adjusting events have occurred between the 31 March reporting date and the date of authorisation.

### 21.Authorisation of financial statements

The financial statements were approved by the board of directors and authorised for issue on 19 April 2024.

# TM International Logistics Limited
## Consolidated Financial Statements
### Statutory Reports & Financial Statements

# TM INTERNATIONAL LOGISTICS LIMITED
# INDEPENDENT AUDITORS' REPORT

*To the Members of TM International Logistics Limited*

## Report on the Audit of the Consolidated Financial Statements

### Opinion

1. We have audited the accompanying Consolidated Financial Statements of TM International Logistics Limited (hereinafter referred to as the "Parent Company") and its subsidiaries (Parent Company and its subsidiaries together referred to as "the Group") (refer Note 1 to the attached Consolidated Financial Statements), which comprise the Consolidated Balance Sheet as at March 31, 2024, and 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 for the year then ended, and notes to the Consolidated Financial Statements, material accounting policy information and other explanatory information (hereinafter referred to as the "Consolidated Financial Statements").

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2024, and its consolidated total comprehensive income (comprising of profit and other comprehensive income), its consolidated changes in equity and its consolidated cash flows for the year then ended.

### Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards 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 India 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 we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 12 of the Other Matter section below, is sufficient and appropriate to provide a basis for our opinion.

### Other Information

4. The Parent Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors' Report but does not include the Consolidated Financial Statements and our auditor's report thereon.

   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 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. If, based on the work we have performed and the reports of the other auditors as furnished to us (refer paragraph 12 below), we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

5. The Parent Company's Board of Directors is responsible for the preparation and presentation of these Consolidated Financial Statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows, and changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Parent Company, as aforesaid.

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

7. The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

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

8. 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.

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

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

10. We communicate with those charged with governance of the Parent 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.

11. 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 Matter

12. We did not audit the financial statements/financial information of three subsidiaries (including two step-down subsidiaries), whose financial statements/financial information reflect total

assets of Rs. 46,558.81 Lakhs and net assets of Rs. 35,959.90 Lakhs as at March 31, 2024, total revenue of Rs. 62,657.52 Lakhs, total comprehensive income (comprising of profit/loss and other comprehensive income) of Rs. 2,158.04 Lakhs and net cash flows amounting to Rs. 5,085.03 Lakhs for the year ended on that date, as considered in the Consolidated Financial Statements. These financial statements/ financial information have been audited by other auditors whose reports have been furnished to us by the Management/Other Auditors, and our opinion on the Consolidated Financial Statements in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act including report on Other Information in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

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

## Report on Other Legal and Regulatory Requirements

13. As required by the Companies (Auditor's Report) Order, 2020 ("CARO 2020"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure B, a statement on the matter specified in paragraph 3(xxi) of CARO 2020.

14. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements.

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditors except that the backup of certain books of account and other books and papers maintained in electronic mode has not been maintained on a daily basis on servers physically located in India and for the matters stated in paragraph 14(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended) ("the Rules").

(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 and records maintained for the purpose of preparation of the Consolidated Financial Statements.

(d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.

(e) On the basis of the written representations received from the directors of the Parent Company taken on record by the Board of Directors of the Parent Company and the reports of the statutory auditors of its subsidiary company incorporated in India, none of the directors of the Parent Company and its subsidiary company incorporated in India are disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164(2) of the Act.

(f) With respect to the maintenance of accounts and other matters connected therewith, reference is made to our remarks in paragraph 14(b) above on reporting under Section 143(3)(b) and paragraph 14(h)(vi) below on reporting under Rule 11(g) of the Rules.

(g) With respect to the adequacy of internal financial controls with reference to Consolidated Financial Statements of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure A.

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

i. The Consolidated Financial Statements disclose the impact, if any, of pending litigations as at March 31, 2024 on the consolidated financial position of the Group – Refer Note 36 to the Consolidated Financial Statements.

ii. The Group was not required to recognise a provision as at March 31, 2024 under the applicable law or accounting standards, as it does not have any material foreseeable losses on long-term contracts. The Group did not have any derivative contracts as at March 31, 2024.

iii. During the year ended March 31, 2024, there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Parent Company, and its subsidiary company incorporated in India.

iv. (a) The respective Management of the Parent Company and its subsidiary company which is a company incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiary company respectively that, to the best of their knowledge and belief, and as disclosed in Note 51(B)(f)(i) to the Consolidated Financial Statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Parent Company or such subsidiary company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Parent Company or such subsidiary company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The respective Managements of the Parent Company and its subsidiary company which is a company incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiary company respectively that, to the best of their knowledge and belief, and as disclosed in Note 51(B)(f)(ii) to the Consolidated Financial Statements, no funds have been received by the Parent Company or such subsidiary company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Parent Company or such subsidiary company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on the audit procedures, that has been considered reasonable and appropriate in the circumstances, performed by us and those performed by the auditors of the subsidiary company which is a company incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material misstatement.

v. The dividend declared and paid during the year by the Parent Company and its subsidiary company incorporated in India is in compliance with Section 123 of the Act.

vi. Based on our examination, which included test checks, the Parent Company and the subsidiary company, which are companies incorporated in India, have used accounting software for maintaining its books of account which have a feature of recording audit trail (edit log) facility and that has operated throughout the year for all relevant transactions recorded in the software, except that (i) at application level, in case of an accounting software, the audit trail is not maintained in case of modification by certain users with specific access; and (ii) at database level, in case of an accounting software audit trail feature did not operate throughout the year to log any direct data changes and the audit trail of modification does not capture the pre-modified values, whereas for another accounting software in the absence of appropriate evidence, we are unable to comment on the audit trail feature. Further, during the course of our audit except for the aforesaid instances where we and respective auditor of the above referred subsidiary company are not able to comment upon, we and respective auditor of the above referred subsidiary company did not notice any instance of audit trail feature being tampered with.

15. The Parent Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act. The provisions of Section 197 read with Schedule V to the Act are applicable to the subsidiary company incorporated in India. However, such subsidiary company has not paid/provided for managerial remuneration during the year.

**For Price Waterhouse & Co Chartered Accountants LLP**
**Firm Registration Number: 304026E/E300009**

**Dhiraj Kumar**
**Partner**
Membership Number: 060466
UDIN: 24060466BKFNIP6765

Place: Kolkata
Date: April 25, 2024

TM INTERNATIONAL LOGISTICS LIMITED

# ANNEXURE A TO INDEPENDENT AUDITOR'S REPORT

*Referred to in paragraph 14(g) of the Independent Auditor's Report of even date to the members of TM International Logistics Limited on the Consolidated Financial Statements as of and for the year ended March 31, 2024*

## Report on the Internal Financial Controls with reference to Consolidated Financial Statements under clause (i) of sub-section 3 of Section 143 of the Act

1. In conjunction with our audit of the Consolidated Financial Statements of the Company as of and for the year ended March 31, 2024, we have audited the internal financial controls with reference to Consolidated Financial Statements of TM International Logistics Limited (hereinafter referred to as "the Parent Company") and its subsidiary company, which is a company incorporated in India, as of that date.

## Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Parent Company and its subsidiary company, to whom reporting under clause (i) of sub-section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls with reference to financial statements is applicable, which is a company incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

## Auditor's Responsibility

3. Our responsibility is to express an opinion on the Parent Company's and its subsidiary company which is incorporated in India, internal financial controls with reference to Consolidated Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. 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 was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system 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 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 Consolidated Financial Statements, whether due to fraud or error.

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

## Meaning of Internal Financial Controls with reference to Financial Statements

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

## Inherent Limitations of Internal Financial Controls with reference to Financial Statements

7. 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.

## Opinion

8. In our opinion, the Parent Company and its subsidiary company, which is a company incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to Consolidated Financial Statements and such internal financial controls with reference to Consolidated Financial Statements were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

**For Price Waterhouse & Co Chartered Accountants LLP**
**Firm Registration Number: 304026E/E300009**

**Dhiraj Kumar**
**Partner**
Membership Number: 060466
UDIN: 24060466BKFNIP6765

Place: Kolkata
Date: April 25, 2024

TM INTERNATIONAL LOGISTICS LIMITED

# ANNEXURE B TO INDEPENDENT AUDITOR'S REPORT

*Referred to in paragraph 13 of the Independent Auditor's Report of even date to the members of TM International Logistics Limited on the Consolidated Financial Statements as of and for the year ended March 31, 2024*

As required by paragraph 3(xxi) of the CARO 2020, we report that we have given qualification in the CARO report on the standalone financial statements of the Company included in the Consolidated Financial Statements of the Parent Company:

| Sl No. | Name of the Company | CIN | Relationship with the Holding Company | Date of the auditor's report | Paragraph number in the CARO report |
|---|---|---|---|---|---|
| 1. | TM International Logistics Limited | U63090WB2002PLC094134 | Holding Company | April 25, 2024 | (ii)(b) |

**For Price Waterhouse & Co Chartered Accountants LLP**
**Firm Registration Number: 304026E/E300009**

**Dhiraj Kumar**
**Partner**
Membership Number: 060466
UDIN: 24060466BKFNIP6765

Place: Kolkata
Date: April 25, 2024

# Consolidated Balance Sheet as at March 31, 2024

₹ in Lakhs

| | Note | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| **I ASSETS** | | | |
| **(1) Non-current Assets** | | | |
| (a) Property, Plant and Equipment | 4 | 17,031.55 | 17,363.33 |
| (b) Intangible Assets | 5 | 3,305.17 | 3,791.72 |
| (c) Right-of-use Assets | 6 | 103,468.49 | 32,012.27 |
| (d) Capital Work-in-Progress | | - | 11.30 |
| (e) Intangible Assets under Development | 51(b) | 34.75 | 5.85 |
| (f) Financial Assets | | | |
| (i) Loans | 7 | 49.12 | 55.80 |
| (ii) Other Financial Assets | 8 | 1,005.92 | 840.27 |
| (g) Non-current Tax Assets (Net) | 9 | 2,522.95 | 3,411.23 |
| (h) Deferred Tax Assets (Net) | 47.1 | 1,043.78 | 1,191.96 |
| (i) Other Non-current Assets | 10 | 517.37 | 215.34 |
| **Total Non-current Assets** | | **128,979.10** | **58,899.07** |
| **(2) Current Assets** | | | |
| (a) Inventories | 11 | 271.86 | 762.20 |
| (b) Financial Assets | | | |
| (i) Investments | 12 | 807.65 | 2,472.76 |
| (ii) Trade Receivables | 13 | 21,615.16 | 25,512.98 |
| (iii) Cash and Cash Equivalents | 14 | 17,015.54 | 8,464.14 |
| (iv) Other Bank Balances | 15 | 20,837.48 | 42,085.90 |
| (v) Loans | 16 | 55.80 | 37.23 |
| (vi) Other Financial Assets | 17 | 5,769.67 | 3,490.23 |
| (c) Other Current Assets | 18 | 12,598.06 | 10,964.67 |
| **Total Current Assets** | | **78,971.22** | **93,790.11** |
| **Total Assets** | | **207,950.32** | **152,689.18** |
| **II EQUITY AND LIABILITIES** | | | |
| **EQUITY** | | | |
| (a) Equity Share Capital | 19 | 1,800.00 | 1,800.00 |
| (b) Other Equity | 20 | 65,104.26 | 83,298.56 |
| **Total Equity** | | **66,904.26** | **85,098.56** |
| **LIABILITIES** | | | |
| **(1) Non-current Liabilities** | | | |
| (a) Financial Liabilities | | | |
| (i) Lease Liabilities | 21 | 85,778.35 | 22,949.19 |
| (ii) Other Financial Liabilities | 22 | 212.91 | 201.75 |
| (b) Provisions | 23 | 1,878.22 | 2,947.49 |
| (c) Deferred Tax Liabilities | 47.2 | 18.97 | 18.38 |
| **Total Non-current Liabilities** | | **87,888.45** | **26,116.81** |
| **(2) Current Liabilities** | | | |
| (a) Financial Liabilities | | | |
| (i) Lease Liabilities | 24 | 18,954.08 | 10,448.00 |
| (ii) Trade Payables | 25 | | |
| (a) Total Outstanding dues to Micro and Small Enterprises | | 461.78 | 476.43 |
| (b) Total Outstanding dues of Creditors other than Micro and Small Enterprises | | 19,090.31 | 17,021.91 |
| (iii) Other Financial Liabilities | 26 | 1,298.87 | 1,483.01 |
| (b) Provisions | 27 | 1,635.50 | 1,022.69 |
| (c) Current Tax Liabilities | 28 | - | 1.41 |
| (d) Other Current Liabilities | 29 | 11,717.07 | 11,020.36 |
| **Total Current Liabilities** | | **53,157.61** | **41,473.81** |
| **Total Liabilities** | | **141,046.06** | **67,590.62** |
| **Total Equity and Liabilities** | | **207,950.32** | **152,689.18** |

*The accompanying Notes form an integral part of the Consolidated Balance Sheet.*
*This is the Consolidated Balance Sheet referred to in our report of even date.*

**For Price Waterhouse & Co Chartered Accountants LLP**
**Firm Registration No. 304026E / E300009**

**For and on behalf of the Board of Directors**

**Dhiraj Kumar**
Partner
Membership Number: 060466

**Dinesh Shastri**
Managing Director
DIN: 02069346

**Peeyush Gupta**
Chairman
DIN: 02840511

**Jyoti Purohit**
Company Secretary
Place: Kolkata
**Date: 25th April 2024**

**Nandan Nandi**
Chief Financial Officer

Place: Kolkata
Date: 25th April 2024





# Consolidated Statement of Profit and Loss for the Year ended March 31, 2024

₹ in Lakhs

| | | Note | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|---|---|
| I | Revenue from Operations | 30 | 168,854.34 | 145,660.49 |
| II | Other Income | 31 | 3,806.74 | 2,100.07 |
| **III** | **Total Income (I + II)** | | **172,661.08** | **147,760.56** |
| **IV** | **Expenses** | | | |
| | (a) Operational Expenses | 32 | 131,820.59 | 112,040.03 |
| | (b) Employee Benefits Expense | 33 | 8,639.87 | 7,649.72 |
| | (c) Finance Costs | 34 | 4,616.56 | 2,061.88 |
| | (d) Depreciation and Amortization Expense | 4, 5 & 6 | 14,836.36 | 10,698.60 |
| | (e) Other Expenses | 35 | 7,707.27 | 6,177.38 |
| | **Total Expenses (a to e)** | | **167,620.65** | **138,627.61** |
| **V** | **Profit Before Tax (III-IV)** | | **5,040.43** | **9,132.95** |
| **VI** | **Income Tax Expense** | 46 | **1,615.02** | 1,133.31 |
| | (a) Current Tax | | 1,545.39 | 1,135.84 |
| | (b) Tax Relating to Earlier Years | | (79.09) | - |
| | (c) Deferred Tax | | 148.72 | (2.53) |
| **VII** | **Profit for the Year (V-VI)** | | **3,425.41** | **7,999.64** |
| **VIII** | **Other Comprehensive Income** | | | |
| | Items that will not be Reclassified to Profit or Loss | | | |
| | (a) Remeasurements of Post Employment Defined Benefit Obligations | | **(161.35)** | 108.85 |
| | (b) Income tax on above | 46 | **35.14** | (16.51) |
| | Items that will be Reclassified to Profit or Loss | | | |
| | (a) Exchange Differences on Translation of Foreign Operations | | **506.50** | **3,585.20** |
| **IX** | **Total Comprehensive Income for the Year (VII+VIII)** | | **3,805.70** | **11,677.18** |
| **X** | **Earnings per Equity Share** | 43 | | |
| | (a) Basic | | **19.03** | 44.44 |
| | (b) Diluted | | **19.03** | 44.44 |

*The accompanying Notes form an integral part of the Consolidated Statement of Profit and Loss.*
*This is the Consolidated Statement of Profit and Loss referred to in our report of even date.*

**For Price Waterhouse & Co Chartered Accountants LLP**
**Firm Registration No. 304026E / E300009**

**For and on behalf of the Board of Directors**

**Dhiraj Kumar**
Partner
Membership Number: 060466

**Dinesh Shastri**
Managing Director
DIN: 02069346

**Peeyush Gupta**
Chairman
DIN: 02840511

**Jyoti Purohit**
Company Secretary
Place: Kolkata
Date: 25th April 2024

**Nandan Nandi**
Chief Financial Officer

Place: Kolkata
Date: 25th April 2024

# Consolidated Statement of Changes in Equity for the Year ended March 31, 2024

₹ in Lakhs

| A Equity Share Capital (Refer Note 19) | For the Year ended 31st March 2024 | For the Year ended 31st March 2023 |
|---|---|---|
| **Balance at the beginning of the Year** | **1,800.00** | 1,800.00 |
| Changes in Equity Share Capital during the year | - | - |
| **Balance at the end of the Year** | **1,800.00** | 1,800.00 |

₹ in Lakhs

| B Other Equity (Refer Note 20) | For the Year ended 31st March 2024 | | | | |
|---|---|---|---|---|---|
| | General Reserves | Retained Earnings | Capital Reserve | Foreign Currency Translation Reserve | Total Other Equity |
| **Balance as at 1st April 2023** | **8,562.57** | **56,465.21** | **630.36** | **17,640.42** | **83,298.56** |
| Profit for the Year | - | 3,425.41 | - | - | 3,425.41 |
| Other Comprehensive Income for the Year | - | (126.21) | - | 506.50 | 380.29 |
| Dividend paid during the Year | - | (22,000.00) | - | - | (22,000.00) |
| **Balance as at 31st March 2024** | **8,562.57** | **37,764.41** | **630.36** | **18,146.92** | **65,104.26** |

₹ in Lakhs

| B Other Equity (Refer Note 20) | For the Year ended 31st March 2023 | | | | |
|---|---|---|---|---|---|
| | General Reserves | Retained Earnings | Capital Reserve | Foreign Currency Translation Reserve | Total Other Equity |
| **Balance as at 1st April 2022** | **8,562.57** | **51,673.23** | **630.36** | **14,055.22** | **74,921.38** |
| Profit for the Year | - | 7,999.64 | - | - | 7,999.64 |
| Other Comprehensive Income for the Year | - | 92.34 | - | 3,585.20 | 3,677.54 |
| Dividend paid during the Year | - | (3,300.00) | - | - | (3,300.00) |
| **Balance as at 31st March 2023** | **8,562.57** | **56,465.21** | **630.36** | **17,640.42** | **83,298.56** |

*The accompanying Notes form an integral part of the Consolidated Statement of Changes in Equity.*
*This is the Consolidated Statement of Changes in Equity referred to in our report of even date.*

**For Price Waterhouse & Co Chartered Accountants LLP**
**Firm Registration No. 304026E / E300009**

**For and on behalf of the Board of Directors**

**Dhiraj Kumar**
Partner
Membership Number: 060466

**Dinesh Shastri**
Managing Director
DIN: 02069346

**Peeyush Gupta**
Chairman
DIN: 02840511

**Jyoti Purohit**
Company Secretary

**Nandan Nandi**
Chief Financial Officer

Place: Kolkata
Date: 25th April 2024

Place: Kolkata
Date: 25th April 2024





# Consolidated Statement of Cash Flows for the Year ended March 31, 2024

₹ in Lakhs

| | Note No | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|---|
| **A. CASH FLOW FROM OPERATING ACTIVITIES** | | | |
| Profit Before Tax | | **5,040.43** | 9,132.95 |
| Adjustments for: | | | |
| Depreciation / Amortisation Expenses | | **14,836.36** | 10,698.60 |
| Interest and finance charges on lease liabilities and financial liabilities not at fair value through profit or loss | | **4,581.10** | 2,041.61 |
| Gain on Disposal of Property, Plant & Equipment (Net) | 31 | **(20.62)** | (11.77) |
| Profit on Sale of Investments (including Fair Value changes in Mutual Fund) | 31 | **(216.58)** | (137.81) |
| Interest Income | 31 | **(2,067.97)** | (1,002.96) |
| **Operating Profit before Changes in Operating Assets and Liabilities** | | **22,152.72** | **20,720.62** |
| Changes in Operating Assets and Liabilities | | | |
| (Increase) / Decrease in Trade Receivables | | **3,938.43** | (2,142.80) |
| (Increase) / Decrease in Financial Assets | | **(2,931.38)** | (1,102.58) |
| (Increase) / Decrease in Loans | | **(11.69)** | 34.32 |
| (Increase) / Decrease in Other Assets | | **(2,026.10)** | 72.37 |
| (Increase) / Decrease in Inventories | | **494.28** | (138.52) |
| Increase / (Decrease) in Trade Payables | | **2,011.89** | 592.82 |
| Increase / (Decrease) in Financial Liabilities | | **(145.56)** | (706.35) |
| Increase / (Decrease) in Other Liabilities | | **653.64** | (165.23) |
| Increase / (Decrease) in Provisions | | **(705.78)** | 0.82 |
| **Cash Generated from Operations** | | **23,430.45** | **17,165.47** |
| Direct Taxes Paid (Net of Refund) | | **(725.89)** | (952.13) |
| **Net Cash from/(used in) Operating Activities** | | **22,704.56** | **16,213.34** |
| **B. CASH FLOW FROM INVESTING ACTIVITIES** | | | |
| Payment for Acquisition/Construction of Property, Plant & Equipment and Intangible Assets | | **(6,672.66)** | (2,283.75) |
| Proceeds from Disposal of Property, Plant & Equipment | | **4,092.82** | 19.56 |
| Proceeds from Maturity of Deposits with Banks | | **79,732.62** | 79,313.55 |
| Payments for Placing of Deposits with Banks | | **(58,312.88)** | (82,706.87) |
| Sale of Investments in Mutual Funds | | **70,981.69** | 29,865.05 |
| Purchase of Investments In Mutual Funds | | **(69,100.00)** | (32,200.00) |
| Interest Received | | **2,577.42** | 814.11 |
| **Net Cash from/(used in) Investing Activities** | | **23,299.01** | **(7,178.35)** |
| **C. CASH FLOW FROM FINANCING ACTIVITIES** | | | |
| Principal Elements of Lease Payments | | **(11,323.64)** | (7,561.42) |
| Interest Elements of Lease Payments | | **(4,500.57)** | (1,960.12) |
| Dividend Paid | | **(22,000.00)** | (3,300.00) |
| **Net Cash from/(used in) Financing Activities** | | **(37,824.21)** | **(12,821.54)** |
| **D. Effect of Exchange Rate on Translation of Foreign Currency Cash and Cash Equivalents** | | **372.04** | 2,535.75 |
| **Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C+D)** | | **8,551.40** | **(1,250.80)** |
| **Cash and Cash Equivalents at the Beginning of the Year** | 14 | **8,464.14** | **9,714.94** |
| **Cash and Cash Equivalents at the End of the Year** | 14 | **17,015.54** | **8,464.14** |

*The above Consolidated Statement of Cash Flows have been prepared under the 'Indirect Method' as set out in Ind AS-7 'Statement of Cash Flows'.*
*The accompanying Notes form an integral part of the Consolidated Statement of Cash Flows.*
*This is the Consolidated Statement of Cash Flows referred to in our report of even date.*

**For Price Waterhouse & Co Chartered Accountants LLP**
**Firm Registration No. 304026E / E300009**

**For and on behalf of the Board of Directors**

**Dhiraj Kumar**
Partner
Membership Number: 060466

**Dinesh Shastri**
Managing Director
DIN: 02069346

**Peeyush Gupta**
Chairman
DIN: 02840511

**Jyoti Purohit**
Company Secretary
Place: Kolkata
Date: 25th April 2024

**Nandan Nandi**
Chief Financial Officer

Place: Kolkata
Date: 25th April 2024

1 **Background**

TM International Logistics Limited ('the Parent Company') is a public limited Company incorporated in India with its registered office in Kolkata, West Bengal, India. The Parent Company is a Joint Venture between Tata Steel Limited (51%), IQ Martrade of Germany (23%) and Nippon Yusen Kaisha- NYK (26%). The Parent Company and its subsidiaries (collectively referred to as 'the Group') are mainly engaged in the business of providing logistic services including port operations, freight and forwarding, material transportation through railways, ships and others, warehousing services, etc. For details of subsidiaries and step-down subsidiaries, refer Note 44.

The Consolidated Financial Statements were approved and authorised for issue with the resolution of the Parent Company's Board of Directors on 25th April 2024.

2 **Material Accounting Policies**

This Note provides a list of the material accounting policies adopted in the preparation of these Consolidated Financial Statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

**2.1 Basis of Preparation**

**(i) Compliance with Ind AS**

The Consolidated Financial Statements comply in all material aspects with Indian Accounting Standards ("Ind AS") notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

**(ii) Historical Cost Convention**

The Consolidated Financial Statements have been prepared on a historical cost basis, except for the following:

a) certain financial assets and liabilities which are measured at fair value;

b) defined benefit plans - plan assets measured at fair value.

**(iii) New and amended standards adopted by the Company**

The Ministry of Corporate Affairs, vide notification dated 31st March 2023 had notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amended certain accounting standards with effect from 1st April 2023. These amendments did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

**(iv) Current versus Non-current Classification**

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

- expected to be realised or intended to be sold or consumed in normal operating cycle,
- held primarily for the purpose of trading,
- expected to be realised within twelve months after the reporting period, or
- cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

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

All other liabilities are classified as non-current.

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

**2.2 Principles of Consolidation**

**(i) Subsidiaries**

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group 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 to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

**(ii) Manner of Consolidation**

The Group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset.

**2.3 Property, Plant and Equipment**

An item of property, plant and equipment is recognised as an asset if it is probable that future economic benefits associated with the item will flow to the Group and its cost can be measured reliably. This recognition principle is applied to the costs incurred initially to acquire an item of property, plant and equipment and also to costs incurred subsequently to add to, replace part of, or service it. All other repair and maintenance costs, including regular servicing, are recognised as an expense in the Statement of Profit and Loss as incurred. When a replacement occurs, the carrying amount of the replaced part is derecognised.

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment losses. Cost includes all direct costs and expenditures incurred to bring the asset to its working condition and location for its intended use.

Gain or loss arising on disposal of an asset is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

**Depreciation Method and Estimated Useful lives**

Depreciation is calculated on a pro-rata basis using the straight-line method to allocate their cost, over their estimated useful values in accordance with Schedule II to the Act, except in respect of Buildings constructed on the Leased Land, Vessels and certain Non-Factory Buildings, Plant and Equipment, Vehicles and Computers, after taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, etc.

The estimated useful lives for the main categories of property, plant and equipment are:

| Type of Asset | Estimated Useful life |
|---|---|
| Buildings Constructed on the Leasehold Land | Upto 30 years |
| Non-Factory Buildings | 30/60 years |
| Plant and Equipments | 7 - 15 years |
| Vehicles | 5 - 10 years |
| Vessels | 5 years |
| Office Equipment | 5 years |
| Furniture and Fixtures | 10 years |
| Computers-Desktop, Laptops, etc. | 3/4 years |
| Computers-Servers | 6 years |

The useful lives, residual values and the method of depreciation of property, plant and equipment are reviewed, and adjusted if appropriate, at the end of each reporting period. Gains or losses on disposals are determined as difference between sale proceeds and carrying value of such items and are recognized in the Statement of Profit and Loss within 'Other Income/Other Expenses'. Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as 'Capital Advances'.

**2.4 Intangible Assets**

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses, if any. Amortization is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as difference between the net disposal proceeds and the carrying amount of the asset, are recognised in Statement of Profit and Loss.

The estimated useful lives for the main categories of intangible assets are:

| Type of Asset | Estimated Useful life |
|---|---|
| Operational Rights under Service Concession Agreement Berth#13-Haldia Port | 30 years |
| Special Freight Train Operator License | 20 years |
| Software | 5 years |

**2.5 Impairment of Non-financial Assets**

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units).

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying value that would have been determined had no impairment loss been recognised for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognised in the Statement of Profit and Loss immediately.

**2.6 Leases**

**As a Lessee**

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Group is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the fixed payments (including in-substance fixed payments).

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Group, which does not have recent third-party financing and make adjustments specific to the lease e.g. term, country, etc.

The Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date, and
- any initial direct costs

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of building are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

**As a Lessor**

Lease income from operating leases where the Group is a lessor is recognised in income on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income. The respective leased assets are included in the balance sheet based on their nature.

**2.7 Financial Instruments**

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the Statement of Profit and Loss.

**A. Investments and Other Financial Assets**

**(i) Classification**

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of cash flows.

For assets measured at fair value, gains or losses is recorded in either the profit or loss or other comprehensive income. For investments in debt instruments, this depends on the business model in which the investment is held. For investments in equity instruments, this depends on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

**(ii) Measurement**

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset.

Transaction costs of financial assets carried at fair value through profit or loss are recognized as expense in the Statement of Profit and Loss.

**(iii) Impairment of Financial Assets**

The Group assesses on a forward looking basis the expected credit losses associated with its assets which are not fair valued through profit or loss. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables only, the Group applies the simplified approach permitted by Ind AS 109, 'Financial Instruments', which requires expected lifetime losses to be recognised from initial recognition of the receivables.

**(iv) Derecognition of Financial Assets**

A financial asset is derecognised only when the Group has transferred the rights to receive cash flows from the financial asset or retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity neither has transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Group has not retained control of the financial asset. Where the Group retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

**(v) Fair Value of Financial Instruments**

In determining the fair value of financial instruments, the Group uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis and available quoted market prices. All methods of assessing fair value result in general approximation of value, and such value may never actually be realised.

**(vi) Off-setting Financial Instruments**

Financial assets and liabilities are offset and the net amount is reported in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

**2.8 Trade Receivables**

Trade receivables are amounts due from customers for services rendered in the ordinary course of business and reflect the Company's unconditional right to consideration (that is, payment is due only on the passage of time). Trade receivables are recognised initially at the transaction price as they do not contain significant financing components. The Company holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance.

**2.9 Cash and Cash Equivalents**

For the purpose of presentation in the Statement of Cash Flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**2.10 Trade Payables**

Trade Payables represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and are subsequently measured at amortised cost using the effective interest method where the time value of money is significant.

**2.11 Employee Benefits**

**A. Short-term Employee Benefits**

Liabilities for short-term employee benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented under 'Trade Payables -Current' in the Balance Sheet.

**B. Post-Employment Benefits**

**i) Defined Benefit Plans**

The liability or asset recognised in the Balance Sheet in respect of defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated by actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in 'Employee Benefits Expense' in the Statement of Profit and Loss. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in Other Comprehensive Income. These are included in 'Retained Earnings' in the Statement of Changes in Equity.

**ii) Defined Contribution Plans**

Contributions under Defined Contribution Plans payable in keeping with the related schemes are recognised as expenses for the period in which the employee has rendered the service.

**C. Other Long term Employee Benefits**

The liabilities for compensated absences which are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are considered as other long-term employee benefits. They are therefore measured by actuaries as the present value of expected future benefits in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in the Statement of Profit and Loss.

The obligations are presented under 'Provision for Employee Benefits' within 'Provisions' in the Balance Sheet.

**2.12 Income Tax**

The income tax expense for the period is the tax payable on the current year's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences, unused tax credits and unused tax losses.

The current tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Consolidated Financial Statements.

Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction impacts neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences, tax credits and losses.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax are recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity, if any. In this case, the tax is also recognised in Other Comprehensive Income or directly in equity, respectively.

**2.13 Provisions and Contingencies**

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

A disclosure for contingent liabilities is made when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources embodying economic benefits will be required to settle or a reliable estimate of the amount cannot be made.

**2.14 Revenue Recognition**

Revenue from contracts with customers are recognised when services promised in the contract are transferred to the customer. The amount of revenue recognised depicts the transfer of promised services to customers for an amount that reflects the consideration to which the Group is entitled to in exchange for the services rendered.

**Sale of Services and Other Operating Revenue**

Revenue from sale of services and other operating revenue are recognised when services are transferred to the customer i.e. when the Group satisfies the performance obligation with respect to the services being rendered, risk of loss have been transferred to the customer and either the customer has accepted the services in accordance with the contract or the acceptance provisions have elapsed or the Group has objective evidence that all criteria for acceptance have been satisfied. Revenue from sale of services are recognised based on the price specified in the contract, which is fixed. No element of financing is deemed present as the sales are made against the receipt of advance or with an agreed credit period, which is consistent with the market practices. A receivable is recognised when the services are transferred, as this is the point in time that the consideration is unconditional because only passage of time is required before payment is due.

The Group does not have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

**Voyage Charter**

Contract with a customer in case of voyage charter is accounted for when all the following criteria's are met:

- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the Establishment;
- The stage of completion of the transaction at the end of the reporting period can be measured reliably; and
- The cost incurred for the transaction and the costs to complete the transaction can be measured reliably.

When the outcome of the transaction cannot be estimated reliably, revenue shall be recognised only to the extent of the expenses recognised that are recoverable. Losses on voyages are recognised during the period in which the loss first becomes probable and can be reasonably estimated.

**Time Charter**

Revenue under time charter is recognised based on the terms of the time charter agreement.

**Demurrage Income**

Demurrage income, which is included in time/voyage chartering, represents payments by the customers to the Establishment when loading or discharging time exceeds the stipulated time in the time/ voyage charter, and is recognised when services have been performed and there exists no significant uncertainty as to its measurability and collectability.

**2.15 Foreign Currency Transactions and Translation**

**Functional and Presentation Currency**

Items included in the Consolidated Financial Statements of the Group are measured using the currency of the primary economic environment in which the Group operates ('the functional currency'). The Consolidated Financial Statements are presented in Indian Rupee (Rs.), which is the Group's functional and presentation currency.

**Transactions and Balances**

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. At the year-end, monetary assets and liabilities denominated in foreign currencies are restated at the year-end exchange rates. Exchange differences arising from settlement of foreign currency transactions and from year-end restatement are recognised in the Statement of Profit and Loss on a net basis within 'Other Income'/ 'Other Expenses'.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

**Group Companies**

The results and financial position of foreign operations (none of which has a currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities are translated at the closing rate at the date of that balance sheet
- income and expenses are translated at average exchange rates
- all resulting exchange differences are recognised in other comprehensive income

**2.16 Earnings per Share**

**Basic Earnings per Share**

Basic earnings per equity share is computed by dividing profit or loss attributable to owners of the Parent Company by the weighted average number of equity shares outstanding during the financial year.

**2.17 Segment Reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM).The Board of Directors is collectively the Group's CODM. Based on the synergies, risks and returns associated with business operations and in terms of Ind AS 108,CODM of the Group has assessed that the Group is predominantly engaged in the operating segments as disclosed in the segment information presented in Note 41.

**3 Use of Estimates and Critical Accounting Judgments**

The preparation of Consolidated Financial Statements in conformity with Ind AS requires management to make judgments, estimates and assumptions, that impact the application of accounting policies and the reported amounts of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities at the date of these Consolidated Financial Statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates.

The estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods impacted.

This Note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each impacted line item in the Consolidated Financial Statements.

The areas involving critical estimates or judgements are:

**A. Employee Benefits (Estimation of Defined Benefit Obligation)**

Post-employment benefits represent obligation that will be settled in the future and require assumptions to project benefit obligations. Post-employment benefit accounting is intended to reflect the recognition of future benefit cost over the employee's approximate service period, based on the terms of plans and the investment and funding decisions made. The accounting requires the Group to make assumptions regarding variables such as discount rate, rate of compensation increase and future mortality rates. Changes in these key assumptions can have a significant impact on the defined benefit obligations funding requirements and benefit costs incurred.

**B. Estimation of Expected Useful Lives and Residual Values of Property, Plant and Equipment and Intangible Assets**

Management reviews its estimate of useful lives of property, plant and equipment at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of Property, Plant and Equipment and Intangible Assets.

**C. Lease Liabilities**

The Group evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116 'Leases'. Identification of a lease requires significant judgement in assessing the lease term including anticipated renewals and the applicable discount rate. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate.

**D. Replacement Obligation for Berth#13 at Haldia Port**

Management uses replacement cost model, wherein the assets to be replaced at the end of the period of Service Concession Agreement ('SCA') license are identified and quotations are obtained for such assets and using inflation and discount rate, liabilities as at period-end are recognised. Further, estimates are revised at the end of each year to consider change in the inflation/ discount rates and updated quotation from the vendors.

**E. Recognition of Profits on Voyages in Progress/ Trips in Progress**

Profit on voyages in progress is recognised only when, in the opinion of management, sufficient progress has been made on the voyage/ trip that the final outcome can be reliably estimated. Otherwise no profits are recognised on such contracts.

**F. Contingencies**

Legal proceedings covering a range of matters are pending against the Group. Due to the uncertainty inherent in such matters, it is often difficult to predict the final outcomes. The cases and claims against the Group often raise difficult and complex factual and legal issues that are subject to many uncertainties and complexities, including but not limited to the facts and circumstances of each particular case and claim, the jurisdiction and the differences in applicable law, in the normal course of business. The Group consults with legal counsel and certain other experts on matters related to litigations. The Group accrues a liability when it is determined that an adverse outcome is probable and the amount of the loss can be reasonably estimated. In the event an adverse outcome is possible or an estimate is not determinable, the matter is disclosed.

**G. Deferred Taxes**

Deferred income tax expense is calculated based on the differences between the carrying value of assets and liabilities for financial reporting purposes and their respective tax bases that are considered temporary in nature. Valuation of deferred tax assets is dependent on management's assessment of future recoverability of the deferred tax benefit. Expected recoverability may result from expected taxable income in the future, planned transactions or planned optimizing measures. Economic conditions may change and lead to a different conclusion regarding recoverability.

₹ in Lakhs

| 4. Property, Plant and Equipment | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **Net Carrying Amount of:** | | |
| Buildings | 1,292.89 | 1,337.76 |
| Leasehold Improvements | 472.20 | 582.42 |
| Railway Rakes | 4,991.69 | - |
| Plant and Equipments | 9,417.44 | 14,522.55 |
| Furniture and Fixtures | 330.54 | 324.08 |
| Vehicles | 215.00 | 270.98 |
| Office Equipments | 311.79 | 325.54 |
| **Total Property, Plant and Equipment** | **17,031.55** | **17,363.33** |

₹ in Lakhs

| Property, Plant and Equipment | As at March 31, 2024 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Buildings | Leasehold Improvements | Railway Rakes | Plant and Equipments | Furniture and Fixtures | Vehicles | Office Equipments | Total Property, Plant and Equipment |
| **Gross Carrying Amount as at 1st April 2023** | 1,729.12 | 819.41 | - | 21,709.40 | 604.70 | 608.35 | 637.53 | **26,108.51** |
| Additions | - | - | 5,166.73 | 1,291.33 | 61.70 | 47.45 | 135.86 | **6,703.07** |
| Disposals | - | - | - | (8,801.11) | (5.37) | (101.22) | (31.04) | **(8,938.74)** |
| Exchange differences on Consolidation | 11.08 | - | - | 205.28 | 3.60 | 2.66 | 0.11 | **222.73** |
| **Gross Carrying Amount as at 31st March 2024** | **1,740.20** | **819.41** | **5,166.73** | **14,404.90** | **664.63** | **557.24** | **742.46** | **24,095.57** |
| Accumulated Depreciation as at 1st April 2023 | 391.36 | 236.99 | - | 7,186.85 | 280.62 | 337.37 | 311.99 | **8,745.18** |
| Charge for the Year | 51.44 | 110.22 | 175.04 | 2,472.92 | 55.41 | 99.00 | 147.11 | **3,111.14** |
| Disposals | - | - | - | (4,737.07) | (4.75) | (96.14) | (28.59) | **(4,866.55)** |
| Exchange differences on Consolidation | 4.51 | - | - | 64.76 | 2.81 | 2.01 | 0.16 | **74.25** |
| **Accumulated Depreciation as at 31st March 2024** | **447.31** | **347.21** | **175.04** | **4,987.46** | **334.09** | **342.24** | **430.67** | **7,064.02** |
| **Net Carrying Amount as at 1st April 2023** | **1,337.76** | **582.42** | **-** | **14,522.55** | **324.08** | **270.98** | **325.54** | **17,363.33** |
| **Net Carrying Amount as at 31st March 2024** | **1,292.89** | **472.20** | **4,991.69** | **9,417.44** | **330.54** | **215.00** | **311.79** | **17,031.55** |

₹ in Lakhs

| Property, Plant and Equipment | As at March 31, 2023 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Buildings | Leasehold Improvements | Railway Rakes | Plant and Equipments | Furniture and Fixtures | Vehicles | Office Equipments | Total Property, Plant and Equipment |
| **Gross Carrying Amount as at 1st April 2022** | 1,667.76 | 819.41 | - | 18,598.03 | 546.00 | 496.39 | 552.88 | **22,680.47** |
| Additions | - | - | - | 1,763.61 | 47.96 | 133.48 | 125.63 | **2,070.68** |
| Disposals | - | - | - | (47.83) | (13.98) | (42.59) | (49.81) | **(154.21)** |
| Exchange differences on Consolidation | 61.36 | - | - | 1,395.59 | 24.72 | 21.07 | 8.83 | **1,511.57** |
| **Gross Carrying Amount as at 31st March 2023** | **1,729.12** | **819.41** | **-** | **21,709.40** | **604.70** | **608.35** | **637.53** | **26,108.51** |
| Accumulated Depreciation as at 1st April 2022 | 318.34 | 126.77 | - | 4,816.84 | 225.07 | 267.14 | 231.20 | **5,985.36** |
| Charge for the Year | 50.59 | 110.22 | - | 2,048.31 | 49.21 | 99.10 | 123.13 | **2,480.56** |
| Disposals | - | - | - | (45.33) | (10.50) | (41.79) | (48.80) | **(146.42)** |
| Exchange differences on Consolidation | 22.43 | - | - | 367.03 | 16.84 | 12.92 | 6.46 | **425.68** |
| **Accumulated Depreciation as at 31st March 2023** | **391.36** | **236.99** | **-** | **7,186.85** | **280.62** | **337.37** | **311.99** | **8,745.18** |
| **Net Carrying Amount as at 1st April 2022** | **1,349.42** | **692.64** | **-** | **13,781.19** | **320.93** | **229.25** | **321.68** | **16,695.11** |
| **Net Carrying Amount as at 31st March 2023** | **1,337.76** | **582.42** | **-** | **14,522.55** | **324.08** | **270.98** | **325.54** | **17,363.33** |

Note 1 : Aggregate amount of depreciation expense has been included under "Depreciation and Amortisation Expense" in the Consolidated Statement of Profit and Loss.

Note 2 : Title deeds of immovable properties are held in the name of the companies within the Group.

₹ in Lakhs

| 5. Intangible Assets | As at 31st March 2024 | As at 31st March 2023 |
|---|---|---|
| **Net Carrying Amount of:** | | |
| Softwares | 501.07 | 673.95 |
| Special Freight Train Operator License | 652.47 | 702.47 |
| Operational Rights under Service Concession Agreement Berth# 13- Haldia Port | 2,151.63 | 2,415.30 |
| **Total Intangible Assets** | **3,305.17** | 3,791.72 |

₹ in Lakhs

| Intangible Assets | As at March 31, 2024 | | | |
|---|---|---|---|---|
| | Softwares | Special Freight Train Operator License | Operating Rights Under Service Concession Agreement Berth#13 Haldia Port | Total Intangible Assets |
| **Gross Carrying Amount as at 1st April 2023** | **1,220.48** | **1,000.00** | **4,283.48** | **6,503.96** |
| Additions | 36.02 | - | - | **36.02** |
| Disposals | - | - | (1.25) | **(1.25)** |
| Exchange differences on Consolidation | (0.17) | - | - | **(0.17)** |
| **Gross Carrying Amount as at 31st March 2024** | **1,256.33** | **1,000.00** | **4,282.23** | **6,538.56** |
| Accumulated Amortization as at 1st April 2023 | 546.53 | 297.53 | 1,868.18 | 2,712.24 |
| Charge for the Year | 208.89 | 50.00 | 263.67 | **522.56** |
| Disposals | - | - | (1.25) | **(1.25)** |
| Exchange differences on Consolidation | (0.16) | - | - | **(0.16)** |
| **Accumulated Amortization as at 31st March 2024** | **755.26** | **347.53** | **2,130.60** | **3,233.39** |
| **Net Carrying Amount as at 1st April 2023** | **673.95** | **702.47** | **2,415.30** | **3,791.72** |
| **Net Carrying Amount as at 31st March 2024** | **501.07** | **652.47** | **2,151.63** | **3,305.17** |

₹ in Lakhs

| Intangible Assets | As at March 31, 2023 | | | |
|---|---|---|---|---|
| | Softwares | Special Freight Train Operator License | Operating Rights Under Service Concession Agreement Berth#13 Haldia Port | Total Intangible Assets |
| **Gross Carrying Amount as at 1st April 2022** | **818.98** | **1,000.00** | **4,283.48** | **6,102.46** |
| Additions | 401.20 | - | - | **401.20** |
| Disposals | (1.41) | - | - | **(1.41)** |
| Exchange differences on Consolidation | 1.71 | - | - | **1.71** |
| **Gross Carrying Amount as at 31st March 2023** | **1,220.48** | **1,000.00** | **4,283.48** | **6,503.96** |
| Accumulated Amortization as at 1st April 2022 | 362.97 | 247.53 | 1,604.51 | 2,215.01 |
| Charge for the Year | 183.69 | 50.00 | 263.67 | **497.36** |
| Disposals | (1.41) | - | - | **(1.41)** |
| Exchange differences on Consolidation | 1.28 | - | - | **1.28** |
| **Accumulated Amortization as at 31st March 2023** | **546.53** | **297.53** | **1,868.18** | **2,712.24** |
| **Net Carrying Amount as at 1st April 2022** | **456.01** | **752.47** | **2,678.97** | **3,887.45** |
| **Net Carrying Amount as at 31st March 2023** | **673.95** | **702.47** | **2,415.30** | **3,791.72** |

Note 1 : Aggregate amount of amortisation expense has been included under "Depreciation and Amortisation Expense" in the Consolidated Statement of Profit and Loss.

₹ in Lakhs

| 6. Right-of-use Assets | As at 31st March 2024 | As at 31st March 2023 |
|---|---|---|
| **Net Carrying Amount of:** | | |
| Land & Buildings | 4,375.27 | 2,640.36 |
| Railway Rakes | 99,091.82 | 29,370.52 |
| Vehicles | 1.40 | 1.39 |
| **Total Right of Use Assets** | **103,468.49** | **32,012.27** |

₹ in Lakhs

| Right-of-use Assets | As at March 31, 2024 | | | |
|---|---|---|---|---|
| | Land & Buildings | Railway Rakes | Vehicles | Total Right-of-use Assets |
| **Gross Carrying Amount as at 1st April 2023** | 4,309.78 | 51,228.31 | 47.35 | **55,585.44** |
| Additions | 2,763.58 | 80,205.23 | - | **82,968.81** |
| Adjustment on account of Modification/Termination of Lease | (233.16) | (1,953.66) | - | **(2,186.82)** |
| Exchange differences on consolidation | 1.42 | - | 0.32 | **1.74** |
| **Gross Carrying Amount as at 31st March 2024** | **6,841.62** | **129,479.88** | **47.67** | **136,369.17** |
| **Accumulated Depreciation as at 1st April 2023** | 1,669.42 | 21,857.79 | 45.96 | **23,573.17** |
| Charge for the year | 915.84 | 10,286.82 | - | **11,202.66** |
| Adjustment on account of Modification/Termination of Lease | (119.37) | (1,756.55) | - | **(1,875.92)** |
| Exchange differences on consolidation | 0.46 | - | 0.31 | **0.77** |
| **Accumulated Depreciation as at 31st March 2024** | **2,466.35** | **30,388.06** | **46.27** | **32,900.68** |
| **Net Carrying Amount as at 1st April 2023** | **2,640.36** | **29,370.52** | **1.39** | **32,012.27** |
| **Net Carrying Amount as at 31st March 2024** | **4,375.27** | **99,091.82** | **1.40** | **103,468.49** |

₹ in Lakhs

| Right of use Assets | As at March 31, 2024 | | | |
|---|---|---|---|---|
| | Land & Buildings | Railway Rakes | Vehicles | Total Right-of-use Assets |
| **Gross Carrying Amount as at 1st April 2022** | 2,606.99 | 32,476.61 | 44.74 | **35,128.34** |
| Additions | 1,947.34 | 19,984.16 | - | **21,931.50** |
| Adjustment on account of Modification/Termination of Lease | (257.07) | (1,232.46) | - | **(1,489.53)** |
| Exchange differences on consolidation | 12.52 | - | 2.61 | **15.13** |
| **Gross Carrying Amount as at 31st March 2023** | **4,309.78** | **51,228.31** | **47.35** | **55,585.44** |
| **Accumulated Depreciation as at 1st April 2022** | 1,208.66 | 15,228.87 | 43.42 | **16,480.95** |
| Charge for the Year | 653.48 | 7,067.20 | - | **7,720.68** |
| Adjustment on account of Modification/Termination of Lease | (192.71) | (438.28) | - | **(630.99)** |
| Exchange differences on consolidation | (0.01) | - | 2.54 | **2.53** |
| **Accumulated Depreciation as at 31st March 2023** | **1,669.42** | **21,857.79** | **45.96** | **23,573.17** |
| **Net Carrying Amount as at 1st April 2022** | **1,398.33** | **17,247.74** | **1.32** | **18,647.39** |
| **Net Carrying Amount as at 31st March 2023** | **2,640.36** | **29,370.52** | **1.39** | **32,012.27** |

Note 1 : Aggregate amount of depreciation expense has been included under "Depreciation and Amortisation Expense" in the Consolidated Statement of Profit and Loss.

Note 2 : Lease Agreements of all the above leases are duly executed in the name of the Companies within the Group.

₹ in Lakhs

| 7. Loans : Non-Current | As at 31st March 2024 | As at 31st March 2023 |
|---|---|---|
| **Unsecured, Considered Good** | | |
| Loan to Employees | **49.12** | 55.80 |
| | **49.12** | 55.80 |

₹ in Lakhs

| 8. Other Financial Assets : Non-Current | As at 31st March 2024 | As at 31st March 2023 |
|---|---|---|
| **Unsecured, Considered Good** | | |
| Security Deposits ^# | **943.74** | 595.42 |
| Deposits with Banks (With Maturity of more than 12 Months) *# | **58.94** | 230.26 |
| Accrued Interest on Deposits # | **3.24** | 14.59 |
| | **1,005.92** | 840.27 |
| *** Earmarked amount** | **29.24** | 203.50 |
| **^ Includes Dues from Related Parties (Refer Note 53)** | **0.81** | 0.81 |
| # Financial Assets carried at Amortised Cost | | |

₹ in Lakhs

| 9. Non-Current Tax Assets (Net) | As at 31st March 2024 | As at 31st March 2023 |
|---|---|---|
| Advance Payment of Taxes* | **2,522.95** | 3,411.23 |
| | **2,522.95** | 3,411.23 |
| * Net of Provision for Taxes | **10,499.78** | 9,520.93 |

₹ in Lakhs

| 10. Other Non-Current Assets | As at 31st March 2024 | As at 31st March 2023 |
|---|---|---|
| Capital Advances | **60.68** | 172.06 |
| Prepaid Expenses | **456.69** | 43.28 |
| | **517.37** | 215.34 |

₹ in Lakhs

| 12. Inventories : Current | As at 31st March 2024 | As at 31st March 2023 |
|---|---|---|
| **At lower of cost or Net Realisable value** | | |
| Stores and Spares | **271.86** | 762.20 |
| | **271.86** | 762.20 |
| **Net of Provision** | **26.99** | 23.22 |

₹ in Lakhs

| 12. Investments : Current | As at 31st March 2024 | As at 31st March 2023 |
|---|---|---|
| **Investment Carried at Fair Value through Profit or Loss** | | |
| **Investments in Mutual Funds (Quoted)** | | |
| | | |
| **In units of ₹ 1,000/- each** | | |
| | | |
| Tata Liquid Fund - Direct Plan - Growth | **-** | 2,472.76 |
| Nil (31st March 2023 : 69,627.438) Units | | |
| | | |
| SBI Liquid Fund - Direct Plan - Growth | **807.65** | - |
| 21,370.552 (31st March 2023 : Nil) Units | | |
| | **807.65** | 2,472.76 |
| **Aggregate amount of Quoted Investments** | **807.65** | 2,472.76 |

₹ in Lakhs

| 13. Trade Receivables : Current | As at 31st March 2024 | As at 31st March 2023 |
|---|---|---|
| Trade Receivables - Considered Good - Unsecured #* | **21,615.16** | 25,512.98 |
| Trade Receivables - Credit Impaired | **2,005.44** | 1,977.53 |
| **Trade Receivables Gross** | **23,620.60** | 27,490.51 |
| Less: Loss Allowance on Trade Receivables | **2,005.44** | 1,977.53 |
| | **21,615.16** | 25,512.98 |
| **# Includes Dues from Related Parties (Refer Note 53)** | **17,187.57** | 18,453.29 |
| *** Includes Unbilled Trade Receivables, as the Group has not yet issued an invoice** | **53.59** | 113.08 |
| For Ageing of Trade Receivables as at year end, refer Note 49 (a). | | |

₹ in Lakhs

| 14. Cash and Cash Equivalents : Current | As at 31st March 2024 | As at 31st March 2023 |
|---|---|---|
| Cash on Hand | **6.93** | 5.55 |
| Cheques on Hand | **-** | 0.54 |
| Balance with Banks | | |
| In Current Account | **8,451.12** | 6,135.88 |
| In Deposit Account (Original Maturity of less than 3 months) | **8,557.49** | 2,322.17 |
| | **17,015.54** | 8,464.14 |

₹ in Lakhs

| 15. Other Bank Balances : Current | As at 31st March 2024 | As at 31st March 2023 |
|---|---|---|
| Fixed Deposits with Banks (Original Maturity of 3 months to 12 months)* | **20,837.48** | 42,085.90 |
| | **20,837.48** | 42,085.90 |
| *** Earmarked amount** | **18.58** | 580.13 |

₹ in Lakhs

| 16. Loans : Current | As at 31st March 2024 | As at 31st March 2023 |
|---|---|---|
| **Unsecured, Considered Good** | | |
| Loan to Employees | **55.80** | 37.23 |
| | **55.80** | 37.23 |

₹ in Lakhs

| 17. Other Financial Assets : Current | As at 31st March 2024 | As at 31st March 2023 |
|---|---|---|
| **Unsecured, Considered Good** | | |
| Security Deposits # | **145.44** | 114.36 |
| Fixed Deposits with Banks (Original maturity of more than 12 months)* # | **193.91** | - |
| Accrued Interest on Deposits # | **235.81** | 551.65 |
| Contract Assets # | **406.72** | - |
| Other Receivables # | **425.25** | 128.14 |
| Rebate Receivable # | **4,362.54** | 2,696.08 |
| | **5,769.67** | 3,490.23 |
| *** Earmarked amount** | **4.21** | - |
| **# Financial Assets carried at Amortised Cost** | | |

₹ in Lakhs

| 18. Other Current Assets | As at 31st March 2024 | As at 31st March 2023 |
|---|---|---|
| Balance with Government Authorities @ | **2,192.52** | 810.98 |
| Prepaid Expenses | **612.86** | 681.12 |
| Advance to Employees | **7.79** | 10.82 |
| Advance to Supplier/Service Providers # | **9,784.89** | 9,461.75 |
| | **12,598.06** | 10,964.67 |
| **# Includes Dues from Related Parties (Refer Note 53)** | **5.04** | - |

@ Balances with Government Authorities primarily include unutilised input credits of goods and services tax on purchases, city tax input credit etc. These are regularly utilised to offset the goods and services tax liability on services rendered by the Group, city tax etc. payable by the Group . Accordingly, these balances have been classified as current assets.

₹ in Lakhs

| 19. Equity Share Capital | As at 31st March 2024 | As at 31st March 2023 |
|---|---|---|
| **(i) Authorised Share Capital** | | |
| 1,90,00,000 Equity shares of ₹ 10 each | **1,900.00** | 1,900.00 |
| [March 31, 2023: 1,90,00,000 Equity shares of ₹ 10 each] | | |
| **(ii) Issued, Subscribed and Paid-up Share Capital** | | |
| 1,80,00,000 Equity shares of ₹ 10 each, fully paid up | **1,800.00** | 1,800.00 |
| [March 31, 2023: 1,80,00,000 Equity shares of ₹ 10 each, fully paid-up] | | |
| | **1,800.00** | 1,800.00 |

**(i) Reconciliation of Shares**

| Equity Shares of ₹ 10 each | As at March 31, 2024 | | As at March 31, 2023 | |
|---|---|---|---|---|
| | No. of shares (in Lakh) | Amount (₹ in Lakhs) | No. of shares (in Lakhs) | Amount (₹ in Lakhs) |
| Balance at the beginning of the Year | 180.00 | 1800.00 | 1,800.00 | 1,800.00 |
| Balance at the end of the Year | **180.00** | **1800.00** | 1,800.00 | 1,800.00 |

**(ii) Terms and Rights attached to Equity Shares**

The Parent Company has one class of equity shares having a par value of ₹10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Parent Company, after distribution of all preferential amounts, in proportion to their shareholding.

**(iii) Details of shareholding of Promoters and Equity Shares held by Shareholders holding more than 5% of the aggregate shares in the Parent Company**

| Equity Shares of ₹ 10 each | As at March 31, 2024 | | As at March 31, 2023 | |
|---|---|---|---|---|
| | No. of shares (in Lakh) | Percentage | No. of shares (in Lakhs) | Percentage |
| Tata Steel Limited | 91.80 | 51.00 | 91.80 | 51.00 |
| NYK Holding (Europe) B.V. | 46.80 | 26.00 | 46.80 | 26.00 |
| IQ Martrade Holding Und Management GmbH | 41.40 | 23.00 | 41.40 | 23.00 |
| | **180.00** | **100.00** | **180.00** | **100.00** |

**(iv)** There is no change in Promoters shareholding during the current and previous year.

₹ in Lakhs

| 20. Other Equity | As at 31st March 2024 | As at 31st March 2023 |
|---|---|---|
| **General Reserves** | | |
| Balance at the Beginning of the Year | **8,562.57** | 8,562.57 |
| **Balance at the End of the Year** | **8,562.57** | 8,562.57 |
| **Retained Earnings** | | |
| Balance at the Beginning of the Year | **56,465.21** | 51,673.23 |
| Profit for the Year | **3,425.41** | 7,999.64 |
| Other Comprehensive Income for the Year | | |
| - Remeasurements of Post-Employment Defined Benefit Obligations (Net of Tax) | **(126.21)** | 92.34 |
| Dividend paid during the Year | **(22,000.00)** | (3,300.00) |
| **Balance at the End of the Year** | **37,764.41** | 56,465.21 |
| **Capital Reserve** | | |
| Balance at the Beginning of the Year | **630.36** | 630.36 |
| **Balance at the End of the Year** | **630.36** | 630.36 |
| **Foreign Currency Translation Reserve** | | |
| Balance at the Beginning of the Year | **17,640.42** | 14,055.22 |
| Exchange Differences on Translation of Foreign Operations during the Year | **506.50** | 3,585.20 |
| **Balance at the End of the Year** | **18,146.92** | 17,640.42 |
| | **83,298.56** | 65,104.26 |

₹ in Lakhs

| 21. Lease Liabilities : Non-Current | As at 31st March 2024 | As at 31st March 2023 |
|---|---|---|
| Lease Liabilities | **85,778.35** | 22,949.19 |
| | **85,778.35** | 22,949.19 |

₹ in Lakhs

| 22. Other Financial Liabilities : Non-Current | As at 31st March 2024 | As at 31st March 2023 |
|---|---|---|
| Liability for Employee's Family Benefit Scheme | **212.91** | 201.75 |
| | **212.91** | 201.75 |

₹ in Lakhs

| 23. Provisions : Non-Current | As at 31st March 2024 | As at 31st March 2023 |
|---|---|---|
| **Provision for Employee Benefits** | | |
| Provision for Gratuity | **353.45** | 585.01 |
| Post Retirement Medical Benefit Payable | **53.63** | 56.91 |
| Director Pension Scheme Payable | **207.26** | 219.96 |
| Employee Seperation Scheme | **301.25** | 415.21 |
| Provision for Compensated Absences | **891.95** | 754.28 |
| | | |
| Replacement Obligation for Berth#13 at Haldia Port | **70.68** | 916.12 |
| | **1,878.22** | 2,947.49 |

₹ in Lakhs

| 24. Lease Liabilities : Current | As at 31st March 2024 | As at 31st March 2023 |
|---|---|---|
| Lease Liabilities | **18,954.08** | 10,448.00 |
| | **18,954.08** | 10,448.00 |

₹ in Lakhs

| 25. Trade Payables : Current | As at 31st March 2024 | As at 31st March 2023 |
|---|---|---|
| Creditors for Supplies and Services - Micro Enterprises and Small Enterprises (Refer Note 39) | **461.78** | 476.43 |
| Creditors for Supplies and Services - Others # | **18,097.65** | 15,655.27 |
| Creditors for Accrued Wages and Salaries # | **992.66** | 1,366.64 |
| | **19,552.09** | 17,498.34 |
| **# Includes Dues to Related Parties (Refer Note 53)** | **238.33** | 137.07 |
| For Ageing of Trade Payables as at year end, refer Note 51A (a). | | |

₹ in Lakhs

| 26. Other Financial Liabilities : Current | As at 31st March 2024 | As at 31st March 2023 |
|---|---|---|
| Creditors for capital supplies/services | **3.04** | 31.41 |
| Security Deposit Received # | **32.64** | 71.65 |
| Liability for Employee's Family Benefit Scheme | **47.03** | 20.91 |
| Other Liabilities # | 1,216.16 | 1,359.04 |
| | 1,298.87 | 1,483.01 |
| **# Includes Dues to Related Parties (Refer Note 53)** | **1,248.80** | 1,430.69 |

₹ in Lakhs

| 27. Provisions : Current | As at 31st March 2024 | As at 31st March 2023 |
|---|---|---|
| **Provision for Employee Benefits** | | |
| Provision for Gratuity | **244.46** | 71.90 |
| Post Retirement Medical Benefit Payable | **5.44** | 5.46 |
| Director Pension Scheme Payable | **21.04** | 21.08 |
| Employee Seperation Scheme | **169.51** | 170.71 |
| Provision for Compensated Absences | **55.74** | 59.87 |
| Replacement Obligation for Berth#13 at Haldia Port | **1,139.31** | 693.67 |
| | **1,635.50** | 1,022.69 |

₹ in Lakhs

| 28. Current Tax Liabilities | As at 31st March 2024 | As at 31st March 2023 |
|---|---|---|
| Provision for Taxes | **-** | 1.41 |
| | **-** | **1.41** |

₹ in Lakhs

| 29. Other Current Liabilities | As at 31st March 2024 | As at 31st March 2023 |
|---|---|---|
| Contract Liabilities # | **9,130.62** | 9,812.81 |
| Dues Payable to Goverment Authorities @ | **2,423.96** | 873.74 |
| Other Payables | **162.49** | 333.81 |
| | **11,717.07** | 11,020.36 |
| **# Includes Dues to Related Parties (Refer Note 53)** | **5,397.31** | 3,121.82 |

@ Dues Payable to Government Authorities mainly comprise goods and services tax, withholding taxes, payroll taxes, city tax and other taxes payable.

₹ in Lakhs

| 30. Revenue from Operations | For the Year ended 31st March 2024 | For the Year ended 31st March 2023 |
|---|---|---|
| **Revenue from Contracts with Customers** | | |
| Income from Port Related Services | **30,479.50** | 27,234.40 |
| Income from Railway Services | **73,453.85** | 46,636.09 |
| Income from Shipping Freight | **49,239.29** | 59,488.58 |
| Income from Freight Agency and Related Services | **14,506.23** | 10,734.61 |
| Income from Warehousing Services | **1,161.27** | 1,566.81 |
| Income from Other Services | **14.20** | - |
| | **168,854.34** | 145,660.49 |

Management expects that 100% of the transaction price allocated to the unsatisfied contracts as at 31st March 2024 will be recognised as revenue during the next reporting period - **₹ 801.02 Lakhs** (31st March 2023 : ₹ 1,587.11 Lakhs).

₹ in Lakhs

| 31. Other Income | For the Year ended 31st March 2024 | For the Year ended 31st March 2023 |
|---|---|---|
| Interest on Income Tax Refund | **182.26** | 220.93 |
| Interest Income from Financial Assets carried at Amortised Cost - Deposits | **2,067.97** | 1,002.96 |
| Profit on Sale of Investments in Mutual Funds (including Fair Value changes in Mutual Fund) | **216.58** | 137.81 |
| Profit on Sale of Property Plant and Equipments (Net) | **20.62** | 11.77 |
| Income from Insurance Claim | **250.08** | 17.35 |
| Income from Rental Services | **20.87** | 14.94 |
| Liabilities no Longer Required Written Back | **602.01** | 296.06 |
| Recovery of Bad Debts | **1.46** | 1.74 |
| Provision for Loss Allowances Written Back | **1.59** | 4.30 |
| Gain on Foreign Currency Transactions (Net) | **34.77** | - |
| Other Non Operating Income | **408.53** | 392.21 |
| | **3,806.74** | 2,100.07 |

₹ in Lakhs

| 32. Operational Expenses | For the Year ended 31st March 2024 | For the Year ended 31st March 2023 |
|---|---|---|
| Intraport Transportation including On Shore handling | **2,330.59** | 2,681.76 |
| Custom Clearance Charges | **130.65** | 91.87 |
| Stevedoring & Other Related Expenses | **7,323.53** | 7,385.93 |
| Equipment Assistance Charges | **41.41** | 542.51 |
| Royalty to Syama Prasad Mookerjee Port Trust - Haldia Dock Complex | **1,162.28** | 1,051.40 |
| Vessel Hire Charges | **20,293.33** | 26,216.40 |
| Bunkering Charges | **11,194.23** | 11,373.84 |
| Railway Freight Charges | **57,318.11** | 36,388.94 |
| Ocean Freight charges | **11,756.98** | 7,686.25 |
| Warehousing Charges | **6,404.16** | 3,813.76 |
| Other Charges | **13,865.32** | 14,807.37 |
| | **131,820.59** | 112,040.03 |

₹ in Lakhs

| 33. Employee Benefits Expense | For the Year ended 31st March 2024 | For the Year ended 31st March 2023 |
|---|---|---|
| Salaries and Wages including Bonus | **7,846.42** | 6,872.04 |
| Contribution to Provident and Other Funds | **329.89** | 479.98 |
| Staff Welfare Expenses | **463.56** | 297.70 |
| | **8,639.87** | 7,649.72 |

₹ in Lakhs

| 34. Finance Costs | For the Year ended 31st March 2024 | For the Year ended 31st March 2023 |
|---|---|---|
| Unwinding of Discount | **80.53** | 81.49 |
| Interest and finance charges on lease liabilities and financial liabilities not at fair value through profit or loss | **4,536.03** | 1,980.39 |
| | **4,616.56** | 2,061.88 |

₹ in Lakhs

| 35. Other Expenses | For the Year ended March 31, 2024 | For the Year ended March 31, 2023 |
|---|---|---|
| Consumption of Stores and Spares | **968.91** | 1,105.22 |
| Power and Fuel | **153.82** | 139.11 |
| Rent (including Plot Rent) | **534.38** | 455.01 |
| Repairs to Buildings | **170.63** | 172.10 |
| Repairs to Machinery | **1,449.99** | 811.26 |
| Repairs- Others | **265.68** | 221.50 |
| Insurance Charges | **254.67** | 236.95 |
| Rates and Taxes | **998.70** | 244.94 |
| Travelling Expenses | **571.62** | 471.79 |
| Corporate Social Responsibility Expenditure (Refer Note 35.2 below) | **85.44** | 68.47 |
| Replacement Obligation under SCA at Berth#13 Haldia | **(76.29)** | 91.15 |
| Security Charges | **369.09** | 312.10 |
| Provision for Loss Allowances | **16.12** | 15.03 |
| Provision for Dead Stock | **3.77** | 6.23 |
| Professional & Consultancy Charges | **615.06** | 487.87 |
| Loss on Foreign Currency Transactions (Net) | **-** | 42.26 |
| Payment to Auditors (Refer Note 35.1 below) | **48.71** | 39.83 |
| Miscellaneous Expenses | **1,276.97** | 1,256.56 |
| | **7,707.27** | **6,177.38** |
| **35.1 Payment to Auditors** | | |
| Statutory Audit | **26.00** | 21.00 |
| Tax Audit | **5.00** | 4.00 |
| Other Matters (including Certification) | **15.15** | 12.55 |
| Out of Pocket Expenses | **2.56** | 2.28 |
| | **48.71** | 39.83 |

## 36. Contingencies

₹ in Lakhs

| Particulars | As at 31st March 2024 | As at 31st March 2023 |
|---|---|---|
| **Claims against the companies in the Group not acknowledged as Debts** | | |
| Service Tax | **1,480.33** | 8,155.38 |
| Income Tax | **166.70** | 166.70 |
| Syama Prasad Mookerjee Port Trust | **1,770.27** | 1,756.14 |
| Tariff Authority of Major Ports | **16,379.59** | 14,620.07 |
| Custom Duty | **1.00** | 26.00 |
| Others | **-** | 49.87 |
| | **19,797.89** | 24,774.16 |

The details of material litigations are as described below:

**Taxes and Other Claims**

(a) Service Tax: **₹ 1,265.13 Lakhs** (31st March 2023: ₹ 1,265.13 Lakhs). The Service Tax Department had raised the demand for handling of export cargo and intra-port transportation for the FY 2001-02 to FY 2005-06 against which the Parent Company had filed writ petitions and obtained stay orders from Hon'ble High Court of Orissa which was disposed off vide order dated 29th September 2021 suggesting the Parent Company to file a reply to the adjudicating authority by 1st November 2021. The Parent Company had filed the reply on

29th October 2021, subsequent to which the adjudicating authority issued a demand order against which the Parent Company filed an appeal before the Commissioner of Central Excise (Appeals) and received an order dated 17th June 2022 in which the Commissioner of Central Excise (Appeals) remanded back the assessment to the original authority. The Parent Company has filed an appeal with Customs, Excise & Service Tax Appellate Tribunal (CESTAT) on 14th September 2022 and such appeal is pending for hearing.

(b) In one wholly owned subsidiary, during the year ended 31st March 2023, the Service Tax Department had raised ₹ 6,677.63 Lakhs on applicability of service tax on remittances made to Overseas Logistics Service Providers by the subsidiary from Financial Year 2005-2006 to Financial Year 2009-2010. The Subsidiary had filed an appeal against the demand and had obtained stay from Kolkata High Court against pre-deposit demanded by the CESTAT Eastern Zone. During the year, CESTAT has issued order in favour of the Company vide order dated February 28, 2024.

(c) Syama Prasad Mookerjee Port Trust (earlier Kolkata Port Trust) has claimed an amount of **₹ 1,280.02 Lakhs** (31st March 2023: ₹ 1,280.02 Lakhs) in December, 2007 for cargo shifting charges. An appeal has been filed with Hon'ble Calcutta High Court by the Parent Company. The hearing has not been concluded and the suit is pending for disposal at Hon'ble Calcutta High Court.

(d) In accordance with the provisions of the Major Port Trust Act, Tariff Authority of Major Ports (TAMP) issued tariff order directing the Parent Company to refund the alleged excess charge of ₹ 2,359.55 Lakhs to the customers alongwith compound interest totalling to **₹16,379.59 Lakhs** (31st March 2023: ₹14,620.07 Lakhs) relating to the period from 01st April 2002 to 30th September 2007. The matter is pending to be heard by Hon'ble Calcutta High Court.

## 37. Commitments

a. In terms of the Licence Agreement dated 29th January 2002 with Board of Trustees for the Syama Prasad Mookerjee Port Trust (earlier Kolkata Port Trust), the Parent Company is required to invest in equipments and infrastructure in Berth# 13 (Haldia Dock Complex) as follows:

₹ in Lakhs

| Sl. No. | Purpose of Investment | Phasing of Investment from Licence Agreement dated 29th January 2002 | | | |
|---|---|---|---|---|---|
| | | Within 18 months (Lapsed on 28th July 2003) | Within 24 months (Lapsed on 28th January 2004) | Within 36 months (Lapsed on 28th January 2005) | Total |
| 1 | For Procurement of Equipment for Ship to Shore Handling & vice versa and Horizontal Transfer of Cargo | 2,306.00 | 285.00 | - | 2,591.00 |
| 2 | Storage of Cargo | - | 174.00 | 120.00 | 294.00 |
| 3 | Office Building, Workshop etc. | - | 75.00 | 25.00 | 100.00 |
| 4 | Utility Services | - | 22.00 | - | 22.00 |
| | **Total** | **2,306.00** | **556.00** | **145.00** | **3,007.00** |

As at 31st March 2024 Parent Company's investments in equipments and infrastructure aggregate to **₹ 2,580.00 Lakhs** (31st March 2023: ₹ 2,580.00 Lakhs).

The Management of the Parent Company has requested the Port Trust Authorities for suitable modification to the investment obligation in view of the changes in the business and economic scenario. The Port Trust Authorities have, subject to sanction of the Government of India, approved the changes proposed by the Company in the specifications of the equipments and other required infrastructure.

b. Estimated amount of contracts remaining to be executed on capital account and not provided for: **₹ 115.69 Lakhs** (31st March 2023: ₹ 436.81 Lakhs).

## 38. LEASES

### a. Group as a Lessee

The Group leases various Offices, Warehouses, Vehicles and Railway Rakes. Rental contracts are typically made for fixed periods of 1 year to 9 years, but may have extension options as described below.



**Amounts recognised in the Statement of Profit and Loss** ₹ in Lakhs

| Particulars | Note | As at 31st March 2024 | As at 31st March 2023 |
|---|---|---|---|
| Interest expense (included in finance costs) | 34 | 4,500.57 | 1,960.12 |
| Expense relating to short-term leases (included in other expenses) | 35 | 401.75 | 140.27 |
| | | **4,902.32** | 2,100.39 |

Total Cash Outflow for Leases for the year ended 31st March 2024 was **₹ 15,824.21 Lakhs** (31st March 2023: ₹ 9,521.54 Lakhs.)

**Extension and Termination options**

Extension and Termination options are included in a number of Land & Buildings, Vehicles and Railway Rakes leases across the Group. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor.

**Critical judgements in determining the lease term**

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

For leases of Warehouses, Offices, Vehicles and Railway Rakes, the following factors are normally the most relevant:

- If there are significant penalties to terminate (or not extend), the Group is typically reasonably certain to extend (or not terminate).
- If any leasehold improvements are expected to have a significant remaining value, the Group is typically reasonably certain to extend (or not terminate).
- Otherwise, the Group considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset.

As at 31st March 2024, potential future cash outflows of **₹ Nil** (31st March 2023: ₹ 132.30 Lakhs) (undiscounted) have not been included in the lease liability because it is not reasonably certain that the leases will be extended (or not terminated).

The lease term is reassessed if an option is actually exercised (or not exercised) or the Group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee. During the current year, the financial effect of revising lease terms to reflect the effect of exercising termination options was a decrease in recognised Lease Liabilities and Right-of-Use assets of **₹ 310.90 Lakhs** (31st March 2023: ₹ 858.54 Lakhs). During the current and previous year, no extension options in lease agreements were exercised by Companies within the Group.

### b. Group as a Lessor

The Group leases out office premises. Rental contracts are typically made for fixed periods of 1 year but may have extension options except in case of some office spaces due to the fact that the Group could replace them without significant cost or business disruption. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease arrangements do not impose any covenants, however leased assets are not used as security for borrowing purposes. Lease payments received during the Year ended 31st March 2024 (recognised as Income from Rental Services in Note 31) is **₹ 20.87 Lakhs** (31st March 2023: ₹ 14.94 Lakhs).

## 39. Details of Dues to Micro and Small Enterprises(MSE's)

₹ in Lakhs

| Particulars | As at 31st March 2024 | As at 31st March 2023 |
|---|---|---|
| 1. The Principal amount and Interest due thereon remaining unpaid to any supplier at the end of the accounting year | | |
| - Principal amount | **391.52** | 436.60 |
| - Interest due thereon | **12.10** | 8.07 |

| | | |
|---|---|---|
| 2. The amount of interest paid by the buyer in terms of Section 16 of the MSMED Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during the year | | |
| - Principal amount | **-** | - |
| - Interest due thereon | **-** | - |
| 3. 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 this Act | | |
| - Principal amount | **843.06** | 289.18 |
| - Interest due thereon | **18.33** | 5.10 |
| 4. The amount of interest accrued and remaining unpaid - at the end of the accounting year | **30.43** | 13.17 |
| 5. The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest due on above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act, 2006. | **70.26** | 39.83 |

The above particulars, as applicable, have been given in respect of MSE's to the extent they could be identified on the basis of the information available with the Group.

## 40. Code on Social Security

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment received Indian Parliament approval and Presidential assent in September 2020. The Code has been published in the Gazette of India and subsequently on 13th November 2020 draft rules were published and invited for stakeholders' suggestions. However, the date on which the Code will come into effect has not been notified as on date. The Group will assess the impact of the Code as and when the same comes into effect and accordingly, record any related impact in the year the Code becomes effective.

## 41. SEGMENT REPORTING

### A. Segment Information

The Group's CODM has identified three reportable segments of its business viz, Port and Railway Operations & Others, Shipping and Freight Forwarding.

Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the Consolidated Financial Statements. Also, the Group's income taxes and investments are managed at head office and are not allocated to operating segments.

Sales between segments are carried out at cost plus appropriate margin and are eliminated on consolidation. The segment revenue is measured in the same way as in the Statement of Profit and Loss.

Segment assets and liabilities are measured in the same way as in the Consolidated Balance Sheet. These assets and liabilities are allocated based on the operations of the segment and the physical location of the assets.

### B. Segment Revenue

₹ in Lakhs

| Particulars | For the Year ended 31st March 2024 | | | | |
|---|---|---|---|---|---|
| | Business Segments | | | | |
| | Port and Railway Operations & Others | Shipping | Freight Forwarding | Eliminations | Total |
| Revenue from External Customers | **105,094.62** | **49,239.30** | **14,520.42** | **-** | **168,854.34** |
| | *(75,003.10)* | *(59,488.59)* | *(11,168.80)* | - | *(145,660.49)* |
| | | | | | |
| Inter-Segment Revenue | **611.19** | **-** | **460.66** | **1,071.85** | **-** |
| | *(5.93)* | *(1,323.65)* | *(929.20)* | *(2,258.78)* | - |
| | | | | | |
| **Total Segment Revenue** | **105,705.81** | **49,239.30** | **14,981.08** | **1,071.85** | **168,854.34** |
| | *(75,009.03)* | *(60,812.24)* | *(12,098.00)* | *(2,258.78)* | *(145,660.49)* |

**Time of Revenue Recognition**

| | | | | | |
|---|---|---|---|---|---|
| **At a Point in Time** | | | | | |
| | **32,251.97** | **2,077.62** | **14,981.08** | **1,071.85** | **48,238.82** |
| | *(42,242.49)* | *(3,731.41)* | *(12,097.99)* | *(1,864.33)* | *(56,207.56)* |
| **Over Time** | **73,453.85** | **47,161.67** | **-** | **-** | **120,615.52** |
| | *(32,766.54)* | *(57,080.83)* | - | *(394.44)* | *(89,452.93)* |

*Figures in brackets represent transactions during the year ended 31st March 2023*

### Segment Results:

₹ in Lakhs

| Particulars | For the Year ended 31st March 2024 | | | | |
|---|---|---|---|---|---|
| | Business Segments | | | | |
| | Port and Railway Operations & Others | Shipping | Freight Forwarding | Eliminations | Total |
| Segment Profit before Finance Cost and Tax | **29,439.68** | **(141.38)** | **244.70** | **(22,113.01)** | **7,429.99** |
| | *(7,877.63)* | *(4,481.31)* | *(1,023.60)* | *3,300.00* | *(10,082.54)* |
| **Reconciliation to Profit before Tax** | | | | | |
| Unallocable Income/(Expenses) (Net) | | | | | **2,226.97** |
| | | | | | *(1,112.29)* |
| Finance Cost | | | | | **4,616.56** |
| **Profit Before Tax** | | | | | *(2,061.88)* |
| | | | | | **5,040.43** |
| | | | | | *(9,132.95)* |
| **Other Information** | | | | | |
| Depreciation and Amortisation Expense (Allocable) | **12,020.34** | **2,215.99** | **600.03** | **-** | **14,836.36** |
| | *(8,451.26)* | *(1,857.80)* | *(389.54)* | - | *(10,698.60)* |
| | | | | | |
| Other Significant Non-Cash Expenses other than Depreciation and Amortisation Expense | **19.02** | **-** | **0.88** | **-** | **19.90** |
| | *(19.16)* | - | *(2.11)* | - | *(21.27)* |

Figures in brackets represents transactions during the year ended 31st March 2023.

**Segment Assets:**

₹ in Lakhs

| Particulars | For the Year ended 31st March 2024 | | | |
|---|---|---|---|---|
| | Business Segments | | | Total |
| | Port and Railway Operations & Others | Shipping | Freight Forwarding | |
| Segment Assets | **145,198.29** | **12,139.51** | **8,326.21** | **165,664.01** |
| | *(66,122.02)* | *(19,839.24)* | *(8,871.69)* | *(94,832.95)* |
| Unallocable Assets | | | | **42,286.31** |
| | | | | *(57,856.23)* |
| Total Assets | | | | **207,950.32** |
| | | | | *(152,689.18)* |

Figures in brackets represents balances as at 31st March 2023.

**Segment Liabilities:**

₹ in Lakhs

| Particulars | For the Year ended 31st March 2024 | | | |
|---|---|---|---|---|
| | Business Segments | | | Total |
| | Port and Railway Operations & Others | Shipping | Freight Forwarding | |
| Total Segment Liabilities | **126,583.87** | **4,414.88** | **10,047.31** | **141,046.06** |
| | *(53,838.39)* | *(5,287.85)* | *(8,463.01)* | *(67,589.25)* |
| Unallocable Liabilities | | | | - |
| | | | | *(1.37)* |
| Total Liabilities | | | | **141,046.06** |
| | | | | *(67,590.62)* |

**C. Entity-wise Disclosures**

₹ in Lakhs

| i) The Parent Company is Domiciled in India. The Amount of Group's Revenue from External Customers Broken Down by Location of the Customers is shown below: | For the Year ended 31st March 2024 | For the Year ended 31st March 2023 |
|---|---|---|
| India | **139,624.56** | 116,761.98 |
| Rest of the World | **29,229.78** | 28,898.51 |
| | **168,854.34** | **145,660.49** |

₹ in Lakhs

| ii) Non-current Assets (other than Financial Assets and Deferred Tax Assets) by Location of the Assets is shown below: | As at 31st March 2024 | As at 31st March 2023 |
|---|---|---|
| India | **118,077.84** | 42,744.68 |
| Rest of the World | **8,802.44** | 14,066.36 |
| | **126,880.28** | **56,811.04** |

₹ in Lakhs

| iii) Details of Major Customers Accounting for more than 10% of Revenue from External Customers | For the Year ended 31st March 2024 | For the Year ended 31st March 2023 |
|---|---|---|
| Tata Steel Limited | **91,124.23** | **67,470.21** |

## 42. Service Concession Agreement

(a) TM International Logistics Limited (TMILL / Licensee) signed a service concession agreement with Syama Prasad Mookerjee Port Trust (earlier Kolkata Port Trust) (KoPT/Licensor) on 29th January'2002 for allotment of multipurpose berth along with its back up area at Haldia Dock Complex. TMILL has taken a berth (Berth #13) at Haldia Port on lease from the Syama Prasad Mookerjee Port Trust (earlier Kolkata Port Trust) – Haldia Dock Complex (KoPT-HDC) for a period of 30 years ending on 28th January 2032. Further in Dec'2006 and Sep'2006, TMILL took a plot from KoPT on lease, measuring 54,000 square meters and 9,000 square meters respectively, for the purpose of storing Cargos and to develop a railway siding for cargo handled at Berth #13. Said plots have been taken on lease for a period ending on 28th January, 2032 (i.e. end date of lease period of the original Service Concession Agreement).

(b) (i) The rates for TMILL is governed by Tariff Authority for Major Ports (TAMP) and is as per the "Guidelines for Regulation of Tariff at Major Ports, 2004".

The actual physical and financial performance will be reviewed at the end of the prescribed tariff validity period with reference to the projections relied upon at time of fixing the prevailing tariff. If performance variation of more than + or – 20% is observed as compared to the projections, tariff will be adjusted prospectively. While doing so, 50 % of the benefit / loss already accrued will be set off while revising the tariff.TAMP will prescribe a timetable specifying when each port should submit tariff proposal for review/ revision. Till such a timetable is prescribed, proposals for revision of existing tariff shall be forwarded at least 3 months before these are due for revision. Major Port Trusts, including Private Terminal Operators will be duty bound to send proposal for fixation of tariff within the prescribed time frame.In case of failure on their part to do so, TAMP may for good and sufficient reasons to believe that interests of users are to be protected and / or to rationalise tariff arrangements commonly at ports, suo motu, initiate proceedings in any tariff matter, review and, if necessary, revise the tariffs. In such proceedings, opportunity of hearing will be given to the concerned ports.

The Major Port Trusts, including Private Terminal Operators at such ports shall initiate tariff proposal and forward the same to TAMP at least three months before these are due for revision. The Private Operators can submit their tariff proposals directly to TAMP with a copy to the landlord port trust for information. Tariff once fixed shall be in force for three years unless a different period is explicitly prescribed in any individual case by TAMP or in the past concession agreement. For good and sufficient reasons, ports may propose revision ahead-of-schedule. After the specified validity period is over, the approval accorded will lapse automatically unless specifically extended by TAMP.

(ii) The Licensee shall pay to the Licensor royalty per month at the percentage level set out in the License Agreement.

(c) (i) KoPT has granted to TMILL the exclusive right to enter upon, occupy and use the KoPT's assets for the purpose of providing the services at Berth#13 as per the terms and conditions of service concession agreement.

(ii) TMILL shall provide the cargo handling services at Berth#13 and during the operation phase shall manage, operate, maintain, repair and replace the Project facilities and Services, entirely at its cost, charges, expenses, risk in accordance with the provision of the License agreement. TMILL has to provide Services on a common user basis and may offer preferential or priority berthing to the customers to optimise the use of Berth#13 in accordance with License Agreement.

(iii) TMILL shall at its own cost make development and improvements in the Licensor's Assets and shall install/ provide cargo handling equipment's as may be necessary or appropriate as per the License Agreement.

(iv) At the end of the concession period, TMILL shall handover Licensor's Assets to the Licensor free of cost and also transfer all its rights, titles and interest in or over the tangible assets at Berth#13. On the transfer date, the Licensor shall pay to the license the compensation/terminal value, as the case may be, in accordance with the license agreement.

(v) The licensor may extend the license period beyond 30 years as per the provision of the concession agreement. As per the provision of agreement, the Licensor and Licensee are entitled to terminate the license agreement either on account of force major event or on account of event of default.

(d) There had been no changes in the arrangement during the year.

(e) The service concession agreement have been classified as Intangible Assets (Refer Note 5).

(f) Intangible Assets include Upfront Fees paid to Syama Prasad Mookerjee Port Trust (earlier Kolkata Port Trust) – Haldia Dock Complex towards securing the right to operate Berth No. 13 (situated at Haldia) for a period of 30 years and which is being amortised on straight line basis over the lease period (Refer Note 5).

₹ in Lakhs

| 43 . Earnings per Share | | | For the Year ended 31st March 2024 | For the Year ended 31st March 2023 |
|---|---|---|---|---|
| **A. Basic** | | | | |
| (i) | Number of Equity Shares at the Beginning of the Year | (in Lakhs) | **180.00** | 180.00 |
| (ii) | Number of Equity Shares at the End of the Year | (in Lakhs) | **180.00** | 180.00 |
| (iii) | Weighted Average Number of Equity Shares | | | |
| | Outstanding during the Year | (in Lakhs) | **180.00** | 180.00 |
| (iv) | Face Value of each Equity Share | (₹) | **10.00** | 10.00 |
| (v) | Profit after tax attributable to the Equity Shareholders | (in Lakhs) | 3,425.41 | 7,999.64 |
| (vi) | Basic Earnings per Equity Share [ (v) / (iii) ] | (₹) | 19.03 | 44.44 |
| | | | | |
| **B Diluted** | | | | |
| (i) | Dilutive Potential Equity Shares | | - | - |
| (ii) | Dilutive Earnings per Equity Share (Same as (A) (vi) above) | | 19.03 | 44.44 |

## 44. Interest in Subsidiaries

The Parent Company's subsidiaries (including step down subsidiaries) as at 31st March 2024 and 31st March 2023 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the Parent Company, and the proportion of ownership interests held equals the voting rights held by the Parent Company. Place of incorporation or registration is also their principal place of business.

| Name of the Subsidiary/ Step Down Subsidiary | Principal Activity | Place of Incorporation and Principal Place of Business | Proportion of Ownership Interest and Voting Power held by the Group | |
|---|---|---|---|---|
| | | | For the Year ended 31st March 2024 | For the Year ended 31st March 2023 |
| International Shipping & Logistics FZE | Shipping | UAE | **100%** | 100% |
| TKM Global Logistics Limited | Freight Forwarding | India | **100%** | 100% |
| TKM Global GmbH* | Freight Forwarding | Germany | **100%** | 100% |
| TKM Global China Limited* | Freight Forwarding | China | **100%** | 100% |

* Subsidiaries of TKM Global Logistics Limited, and accordingly step-down subsidiaries of TM International Logistics Limited.

## 45. Employee Benefits

**(a) Defined Contribution Plans**

The Group provides Superannuation Benefit (including pension) to its employees. Such contribution towards Superannuation is paid to a separate trust. The Group has no legal or constructive obligation to pay further contributions if the funds do not hold sufficient assets to pay employee benefits. The contributions are recognised as expenses in the statement of profit and loss based on the amount of contribution required to be made and when services are rendered by the employees.

One of the subsidiary provides Provident Fund to its employees and both the employer and employee make monthly contributions to a fund administered by Government of India. The subsidiary company has no legal or constructive obligation to pay further contributions if the funds do not hold sufficient assets to pay employee benefits. The contributions are recognised as expenses in the Statement of Profit and Loss based on the amount of contribution required to be made and when services are rendered by employees.

The Group has recognised expenses under defined contribution plan in the Statement of Profit and Loss, as below: ₹ in Lakhs

| Benefits (Contributed to) | For the Year ended 31st March 2024 | For the Year ended 31st March 2023 |
|---|---|---|
| Superannuation Fund | **62.40** | 46.37 |
| Tata Employees' Pension Fund | **6.72** | 6.99 |
| Provident Fund (with Regional Provident Fund Commissioner) | **25.24** | 25.07 |
| **Total** | **94.36** | 78.43 |

**(b) Defined Benefits Plans**

(i) Funded
- a. Provident Fund
- b. Post Retirement Gratuity

(ii) Unfunded
- a. Post Retirement Gratuity
- b. Director Pension Scheme
- c. Post Retirement Medical Benefit Scheme

**Provident Fund (Funded)**

The Parent Company provides Provident Fund benefit to its employees. The contributions towards Provident Fund upto May, 2009 were paid to the trust administered by the Government. The Parent Company has received an exemption under Section 17 of the Employees' Provident Fund and Miscellaneous Provisions Act, 1952 from the Central Government, Ministry of Labour and Employment for setting up of an exempted Provident Fund Trust w.e.f. 30th March 2009. Accordingly, the Parent Company has been contributing PF dues from June, 2009 onwards to the Trust fund created under the name and style as 'TM International Logistics Limited Employees' Provident Fund'.

Both the employees and the Parent Company make monthly contributions to the Fund at specified percentage of the employee's salary and aggregate contributions along with interest thereon are paid to the employees/ nominees at retirement, death or cessation of employment. The Trust invest funds following a pattern of investments prescribed by the Government. The interest rate payable to the members of the Trust is not lower than the rate of interest declared annually by the Government under The Employees' Provident Funds and Miscellaneous Provisions Act, 1952 and shortfall, if any, on account of interest is to be made good by the Parent Company.

The Actuary has carried out actuarial valuation of plan's liabilities and interest rate guarantee obligations as at the Balance Sheet date using Projected Unit Credit Method as outlined in the Guidance Note 29 issued by the Institute of Actuaries of India. Based on such valuation, an amount of ₹ (98.03) Lakhs (31st March 2023 - ₹ 99.67 Lakhs) has been provided/(reversed) towards future anticipated shortfall with regard to interest rate obligation of the Parent Company as at the Balance Sheet date.

₹ in Lakhs

| Principal Actuarial Assumptions | For the Year ended 31st March 2024 | For the Year ended 31st March 2023 |
|---|---|---|
| Discount Rate | **7.00%** | 7.30% |
| Expected Return on Exempted Fund | **8.15%** | 8.15% |
| Expected Guranteed Interest Rate | **8.15%** | 8.15% |

**The Parent Company has recognised expenses in Statement of Profit and Loss, as below:**

₹ in Lakhs

| Nature of Benefits | For the Year ended 31st March 2024 | For the Year ended 31st March 2023 |
|---|---|---|
| Provident Fund | **71.33** | 242.95 |

**Post Retirement Gratuity**

The Group provides Gratuity Benefits to its employees. Gratuity liabilities of Parent Company and one of its subsidiary are funded, while it is unfunded for another subsidiary. The present value of these defined benefit obligations are ascertained by an independent actuarial valuation as per the requirement of Indian Accounting Standard 19 - Employee Benefits. The liability recognised in the balance sheet is the present value of the defined benefit obligations on the balance sheet date less the fair value of the plan assets (for funded plans), together with adjustments for unrecognised past service costs. All actuarial gains and losses are recognised in Statement of Profit and Loss in full in the year in which they occur.

These plans typically expose the Group to acturial risks such as investment risk, interest rate risk, longevity risk and salary risk.

| | |
|---|---|
| **Discount Rate Risk** | The Group is exposed to the risk of falling discount rate.A fall in discount rate will eventually increase the ultimate cost of providing the above benefit thereby increasing the value of liability. |
| **Demographic Risk** | The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality and attrition rates of plan participants.An increase in life expectancy or service term of the plan participants will increase the plan's liability. |
| **Salary Growth Risk** | The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability. |

The following table sets forth the particulars in respect of the Gratuity Plan of the Group:

₹ in Lakhs

| Description | | 31st March 2024 | 31st March 2023 |
|---|---|---|---|
| **1.** | **Reconciliation of Opening and Closing balances of the Present Value of the Defined Benefit Obligation:** | | |
| (a) | Present Value of Obligation at the Beginning of the Year | **1,897.96** | 1,782.70 |
| (b) | Current Service Cost | **140.91** | 136.76 |
| (c) | Interest Cost | **109.03** | 102.52 |
| (d) | Remeasurement Losses | | |
| | Actuarial (Gain) / Loss arising from changes in Experience Adjustments | **70.42** | 13.19 |
| | Actuarial (Gain) / Loss arising from changes in Financial Assumptions | **18.38** | (119.81) |
| (e) | Benefits Paid | **(550.69)** | (63.29) |
| (f) | Exchange Rate Variation | **6.69** | 45.89 |
| **(g)** | **Present Value of Obligation at the End of the Year** | **1,692.70** | 1,897.96 |
| **2.** | **Reconciliation of Opening and Closing balances of the Fair Value of the Plan Assets:** | | |
| (a) | Fair Value of Plan Assets at the Beginning of the Year | **1,241.05** | 1,163.00 |
| (b) | Interest Income | **83.79** | 78.78 |
| (c) | Contributions from Employer | **20.91** | 54.23 |
| (d) | Return on Plan Assets (excluding amounts included in Interest Income above) | **(43.61)** | 8.33 |
| (e) | Benefits Paid | **(207.35)** | (63.29) |
| **(f)** | **Fair Value of Plan Assets at the End of the Year** | **1,094.79** | 1,241.05 |
| **3.** | **Reconciliation of Present Value of the Defined Benefit Obligation and the Fair Value of Plan Assets:** | | |
| (a) | Present Value of Obligation at the End of the Year | **1,692.70** | 1,897.96 |
| (b) | Fair Value of Plan Assets at the End of the Year | **1,094.79** | 1,241.05 |
| (c) | Liabilities Recognized in the Balance Sheet | **597.91** | 656.91 |
| | Provision for Employee Benefits - Current (Refer Note 27) | **244.46** | 71.90 |
| | Provision for Employee Benefits - Non Current (Refer Note 23) | **353.45** | 585.01 |
| **4.** | **Expense Recognized in the Statement of Profit and Loss during the Year** | | |
| (a) | Service Cost | | |
| | Current Service Cost | **140.91** | 136.76 |
| (b) | Net Interest Cost | **25.24** | 23.74 |
| | **Total Expense Recognized in the Statement of Profit and Loss during the Year** | **166.15** | 160.50 |
| **5.** | **Expense Recognized in the Other Comprehensive Income** | | |
| (a) | Actuarial (Gain)/ Loss due to DBO Experience | **70.42** | 13.19 |
| (b) | Actuarial (Gain)/Loss due to DBO Assumption Changes | **18.38** | (119.81) |
| (c) | Actuarial (Gain) / Loss during the Year (a+b) | **88.80** | (106.62) |
| (d) | Return on Plan Assets (excluding amounts included in Interest Income above) | **(43.61)** | 8.33 |
| **(e)** | **Total (Income) / Expense Recognised in Other Comprehensive Income (c+d)** | **45.19** | (98.29) |

| Description | | 31st March 2024 | 31st March 2023 |
|---|---|---|---|
| **6.** | **Category of Plan Assets** | | |
| (a) | Fund Managed by Tata Steel Limited | **964.20** | 1,115.40 |
| (b) | Funded with LICI | **130.58** | 125.65 |
| **7.** | **Maturity Profile of Defined Benefit Obligation** | | |
| (a) | Within 1 Year | **128.43** | 168.19 |
| (b) | 1-5 Years | **607.04** | 731.97 |
| (c) | More than 5 Years | **961.41** | 1,599.33 |
| **8.** | **Principal Assumptions** | | |
| (a) | Discount Rate (per annum) | **3.50% to 7.00%** | 3.50% to 7.30% |
| (b) | Salary Escalation (per annum) | **3.50% to 9.00%** | 3.50% to 9.00% |

Assumption regarding future mortality experience are based on mortality tables of Indian Assured Lives Mortality (2006-2008) Ult published by the Institute of Actuaries of India

₹ in Lakhs

| **9. Investment Details of Fund Managed by Tata Steel Limited for Parent Company** | | 31st March 2024 | 31st March 2023 |
|---|---|---|---|
| Investments Details (Amount invested in %) | | | |
| (a) | Government of India Securities | **8.87%** | 8.73% |
| (b) | Public Sector Unit Bonds | **2.22%** | 2.17% |
| (c) | State / Central Government Guaranteed Securities | **16.29%** | 11.92% |
| (d) | Schemes of Insurance - Invest Details | **50.01%** | 63.36% |
| (e) | Private Sector Unit Bonds | **14.23%** | 9.84% |
| (f) | Others (including bank balances) | **8.38%** | 3.98% |

**10.** Actuarial assumptions for the determination of the defined obligation are discount rate and expected salary escalation. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

₹ in Lakhs

| Effect of change in | 31st March 2024 | | 31st March 2023 | |
|---|---|---|---|---|
| | Discount Rate | Salary Escalation | Discount Rate | Salary Escalation |
| **Increase by 1%** | | | | |
| (i) Aggregate Service and Interest Cost | **(126.02)** | **138.51** | (130.33) | 143.08 |
| (ii) Closing Balance of Obligation | **1,566.68** | **1,831.21** | 1,767.63 | 2,041.04 |
| **Decrease by 1%** | | | | |
| (i) Aggregate Service and Interest Cost | **144.08** | **(124.56)** | 147.57 | (129.63) |
| (ii) Closing Balance of Obligation | **1,836.78** | **1,568.14** | 2,045.53 | 1,768.33 |

The sensitivity analyses presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

**11.** The Group expects to contribute **₹ 230.17 Lakhs** (31st March 2023 - ₹ 48.06 Lakhs) to the funded gratuity plans during the next financial year.

**12.** The weighted average duration of the defined benefit obligation as at 31st March 2024 is **8-10 years** (31st March 2023: 8-9 years).

**Details of Unfunded Post Retirement Defined Benefit Obligations (Other than Provident Fund and Gratuity) are as follows:**

₹ in Lakhs

| | Medical & Ex-MD Pension (Unfunded) | 31st March 2024 | | 31st March 2023 | |
|---|---|---|---|---|---|
| | | Medical | Ex-MD Pension | Medical | Ex-MD Pension |
| 1 | **Reconciliation of Opening and Closing balances of Obligation:** | | | | |
| | (a) Opening Defined Benefit Obligation | **62.37** | **241.04** | 46.46 | 262.87 |
| | (b) Interest Cost | **4.48** | **16.77** | 2.66 | 17.11 |
| | (c) Remeasurement (Gain)/ Loss | | | | |
| | (i) Actuarial (Gain) / Loss arising from Experience Adjustments | **(7.03)** | **(11.36)** | 30.07 | (8.07) |
| | (ii) Actuarial Gain from changes in Financial Assumptions | **1.13** | **4.37** | (2.16) | (8.35) |
| | (d) Benefits Paid | **(1.88)** | **(22.52)** | (14.66) | (22.52) |
| | **Closing Defined Benefit Obligation** | **59.07** | **228.30** | 62.37 | 241.04 |
| 2 | **Reconciliation of Fair Value of Assets and Obligations** | | | | |
| | (a) Fair Value of Plan Assets as at the End of the Year | - | - | - | - |
| | (b) Present Value of Obligation as at the End of the Year | **59.07** | **228.30** | 62.37 | 241.04 |
| | (c) Amount Recognized in the Balance Sheet | | | | |
| | (i) Retirement Benefit Liability - Current (Refer Note 27) | **5.44** | **21.04** | 5.46 | 21.08 |
| | (ii) Retirement Benefit Liability - Non Current (Refer Note 23) | **53.63** | **207.26** | 56.91 | 219.96 |
| 3 | **Amounts Recognised in the Statement of Profit and Loss and Other Comprehensive Income in respect of these Defined Benefit Plans are as follows:** | | | | |
| | (a) Service Cost | - | - | - | - |
| | (b) Net Interest Expenses | 4.48 | 16.77 | 2.66 | 17.11 |
| | **Components of Defined Benefit Costs Recognised in Profit or Loss** | **4.48** | **16.77** | 2.66 | 17.11 |
| | (c) Remeasurement of Net Defined Benefit Liability | | | | |
| | Actuarial (Gain) / Loss arising from: | | | | |
| | (i) Changes in Experience Assumptions | (7.03) | (11.36) | 30.07 | (8.07) |
| | (ii) Changes in Financial Adjustments | 1.13 | 4.37 | (2.16) | (8.35) |
| | Components of Defined Benefit Costs recorded in Other Comprehensive Income | **(5.90)** | **(6.99)** | 27.91 | (16.42) |
| | **Total** | **(1.42)** | **9.78** | 30.57 | 0.69 |
| 4 | **The Principal Assumptions used for the Purpose of the Acturial Valuations were as follows:** | | | | |
| | (a) Discount Rate (per annum) | **7.00%** | **7.00%** | 7.30% | 7.30% |
| | (b) Medical Inflation (per annum) | **6.00%** | **NA** | 6.00% | NA |
| | (c) Salary Escalation (per annum) | **NA** | **6.00%** | NA | 6.00% |
| | | | | | |
| 5 | **Experience Loss/ (Gain) Adjustments on Plan Liabilities** | **(7.03)** | **(11.36)** | 30.07 | (8.07) |

**6.** Actuarial assumptions for the determination of the defined obligation (post retirement medical benefit scheme) are discount rate and expected medical inflation. Actuarial assumptions for the determination of the defined obligation - Ex-MD Pension are discount rate and salary escalation. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

₹ in Lakhs

| Effect of Change in Post Retirement Medical Benefit Scheme | 31st March 2024 | | 31st March 2023 | |
|---|---|---|---|---|
| | Discount Rate | Medical Inflation | Discount Rate | Medical Inflation |
| **Increase by 1%** | | | | |
| (i) Aggregate Service and Interest Cost | **(3.63)** | **3.80** | (3.97) | 4.46 |
| (ii) Closing Balance of Obligation | **55.44** | **62.87** | 58.40 | 66.83 |
| **Decrease by 1%** | | | | |
| (i) Aggregate Service and Interest Cost | **4.05** | **(3.47)** | 4.45 | (4.05) |
| (ii) Closing Balance of Obligation | **63.12** | **55.60** | 66.82 | 58.32 |

₹ in Lakhs

| Ex-MD Pension : Effect of Change | 31st March 2024 | | 31st March 2023 | |
|---|---|---|---|---|
| | Discount Rate | Salary Escalation | Discount Rate | Salary Escalation |
| **Increase by 1%** | | | | |
| (i) Aggregate Service and Interest Cost | **(14.02)** | **14.69** | (15.35) | 17.24 |
| (ii) Closing Balance of Obligation | **214.28** | **242.99** | 225.69 | 258.28 |
| **Decrease by 1%** | | | | |
| (i) Aggregate Service and Interest Cost | **15.65** | **(13.42)** | 17.19 | (15.67) |
| (ii) Closing Balance of Obligation | **243.95** | **214.88** | 258.23 | 225.37 |

The sensitivity analyses presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

**(c) Leave Obligations**

The Group provides for accumulation of leave by certain categories of its employees.These employees can carry forward a portion of the unutilised leave balances and utilise it in future periods or receive cash (only in case of earned leave) in lieu thereof as per the Group's policy. The Group records a provision for leave obligations in the period in which the employee renders the services that increases this entitlement. The total provision recorded by the Group towards this obligation was ₹ 947.69 Lakhs and ₹ 814.15 Lakhs as at 31st March 2024 and 31st March 2023 respectively. As per the leave policy of the Group, an employee is entitled to be paid the accumulated leave balance on separation. The Group presents provision for leave salaries as current and non-current based on actuarial valuation considering estimates of availment of leave, separation of employee etc.

## 46. Income Tax Reconciliation

₹ in Lakhs

| | Income Tax Expense | For the Year ended 31st March 2024 | For the Year ended 31st March 2023 |
|---|---|---|---|
| A | **Income Tax recognised in Profit or Loss** | | |
| | Current Tax on Profits for the Year | **1,545.39** | 1,135.84 |
| | Adjustments for Current Tax of Earlier Years | **(79.09)** | - |
| | | **1,466.30** | 1,135.84 |
| | | | |
| B | **Deferred Tax** | | |
| | Origination and Reversal of Temporary Differences | **148.72** | (2.53) |
| | | **148.72** | (2.53) |
| | | | |
| C | **Tax on Other Comprehensive Income** | | |
| | Current Tax | | |
| | - Remeasurements of Post Employment Defined Benefit Obligations | **35.14** | (16.51) |
| | | **35.14** | (16.51) |

The Income Tax Expense for the Year can be reconciled to the Accounting Profit as follows:

₹ in Lakhs

| Income Tax Expense | For the Year ended 31st March 2024 | For the Year ended 31st March 2023 |
|---|---|---|
| Profit Before Tax for the Year | 5,040.43 | 9,132.95 |
| | | |
| **Income Tax Expense at Tax Rates Applicable to Individual Entities** | 9,721.64 | 2,529.64 |
| Effect of Income deductible in determining Taxable Profits (Dividend) | (8,053.76) | (1,430.02) |
| Effect of Expenses that are not Deductible in Determining Taxable Profit | 30.44 | 22.37 |
| Effect of Other Items | (4.21) | 11.32 |
| | 1,694.11 | 1,133.31 |
| Adjustment for Current Tax of Earlier Years | (79.09) | - |
| **Income Tax Expense for the Year** | 1,615.02 | 1,133.31 |

## 47. Deferred Tax

₹ in Lakhs

| 47.1. Deferred Tax Assets (Net) | As at 1st April 2022 | (Charge)/ Credit for the Year | Exchange Differences | As at 1st April 2023 | (Charge)/ Credit for the Year | Exchange Differences | As at 31st March 2024 |
|---|---|---|---|---|---|---|---|
| **Deferred Tax Liabilities** | | | | | | | |
| Right-of-use Assets | (4,558.33) | (3,113.79) | - | (7,672.12) | (18,280.98) | - | (25,953.10) |
| Property, Plant & Equipment and Intangible Assets | (55.15) | (39.43) | - | (94.58) | (7.58) | - | (102.16) |
| | **(4,613.48)** | **(3,153.22)** | **-** | **(7,766.70)** | **(18,288.56)** | **-** | **(26,055.26)** |
| **Deferred Tax Assets** | | | | | | | |
| Items allowable for tax purpose on Payment/Adjustment | 213.15 | (4.68) | - | 208.47 | 19.39 | - | 227.86 |
| Replacement Obligation for Berth#13 at Haldia Port | 366.71 | 38.44 | - | 405.15 | (100.62) | - | 304.53 |
| Employees' Early Separation Scheme (ESS) | 294.29 | (43.05) | - | 251.24 | (32.57) | - | 218.67 |
| Lease Liabilities | 4,900.21 | 3,156.80 | - | 8,057.01 | 18,248.71 | - | 26,305.72 |
| Provision for Doubtful Debts & Advances | 19.25 | 0.43 | - | 19.68 | (15.23) | - | 4.45 |
| Others | 18.29 | (1.18) | - | 17.11 | 19.84 | 0.86 | 37.81 |
| | **5,811.90** | **3,146.76** | **-** | **8,958.66** | **18,139.52** | **0.86** | **27,099.04** |
| **Deferred Tax (Charge) /Credit** | | **(6.46)** | | | **(149.04)** | **0.86** | |
| **Deferred Tax (Liabilities)/ Assets (Net)** | **1,198.42** | | | **1,191.96** | | | **1,043.78** |

₹ in Lakhs

| 47.2. Deferred Tax Liabilities | As at 1st April 2022 | (Charge)/ Credit for the Year | Exchange Differences | As at 1st April 2023 | (Charge)/ Credit for the Year | Exchange Differences | As at 31st March 2024 |
|---|---|---|---|---|---|---|---|
| **Deferred Tax Liabilities** | | | | | | | |
| Property, Plant & Equipment and Intangible Assets | (26.41) | 8.99 | (0.96) | (18.38) | 0.32 | (0.91) | (18.97) |
| | **(26.41)** | **8.99** | **(0.96)** | **(18.38)** | **0.32** | **(0.91)** | **(18.97)** |
| **Deferred Tax Liabilities** | **(26.41)** | **8.99** | **(0.96)** | **(18.38)** | **0.32** | **(0.91)** | **(18.97)** |





## 48. Fair Value Instruments

**(a) Instruments by Category**

The following table presents carrying amount and fair value of each category of financial assets and liabilities as at the year end:

₹ in Lakhs

| Particulars | Note No | As at 31st March 2024 | As at 31st March 2023 |
|---|---|---|---|
| **Financial Assets** | | | |
| **Assets Carried at Fair Value through Profit or Loss (FVTPL)** | | | |
| Investments in Mutual Fund | 12 | 807.65 | 2,472.76 |
| **Assets Carried at Amortised Cost** | | | |
| Loans | 7, 16 | 104.92 | 93.03 |
| Trade Receivables | 13 | 21,615.16 | 25,512.98 |
| Other Financial Assets | 8, 17 | 6,775.59 | 4,330.50 |
| Cash and Cash Equivalents | 14 | 17,015.54 | 8,464.14 |
| Other Bank Balances | 15 | 20,837.48 | 42,085.90 |
| **Total Financial Assets** | | 67,156.34 | 82,959.31 |
| **Financial Liabilities** | | | |
| **Liabilities Carried at Amortised Cost** | | | |
| Trade Payables | 25 | 19,552.09 | 17,498.34 |
| Lease Liabilities | 21, 24 | 104,732.43 | 33,397.19 |
| Other Financial Liabilities | 22, 26 | 1,511.78 | 1,684.76 |
| **Total Financial Liabilities** | | 125,796.30 | 52,580.29 |

**(b) Fair Value Instrument**

The fair values of financial assets and liabilities are included at the amount 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. Methods and assumptions used to estimate the fair values are consistent with those used for the year ended 31st March 2023.

The following methods and assumptions were used to estimate the fair values:

(i) In respect of investments in mutual funds, the fair values represent net asset value as stated by the issuers of these mutual fund units in the published statements. Net asset values represent the price at which the issuer will issue further units in the mutual fund and the price at which issuers will redeem such units from the investors. Accordingly, such net asset values are analogous to fair market value with respect to these investments, as transactions of these mutual funds are carried out at such prices between investors and the issuers of these units of mutual funds.

(ii) In respect of security deposit given which are non-interest bearing, the Group has used discounted cash flows to arrived at fair value at Balance Sheet date.

(iii) The management assessed that fair values of loans (current), trade receivables, cash and cash equivalents, other bank balances, other financial assets (current), trade payables and other financial liabilities (current), approximate to their carrying amounts largely due to the short-term maturities of these instruments.

**(c) Fair Value Hierarchy**

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classifed its fnancial instruments into three levels prescribed under the accounting standard. An explanation of each level follows below.

**Level 1:** Level 1 hierarchy includes financial instruments measured using quoted prices. This includes mutual funds. The mutual funds are valued using the closing Net Asset Value.

**Level 2:** The fair value of financial instruments that are not traded in an active market (for example, over-the counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

₹ in Lakhs

| Particulars | As at 31st March 2024 | | As at 31st March 2023 | |
|---|---|---|---|---|
| | Level 1 | Level 3 | Level 1 | Level 3 |
| **Recognised and Measured at Fair Value** | | | | |
| Recurring Measurements | | | | |
| Financial Assets | | | | |
| Investments | | | | |
| *Mutual Funds* | 807.65 | - | 2,472.76 | - |
| Security Deposits | - | **344.04** | - | 89.97 |
| | **807.65** | **344.04** | 2,472.76 | 89.97 |

## 49. Financial Risk Management

The Group's activities expose it to credit risk, liquidity risk and market risk. The Group's senior management oversees the management of above risks. The senior executives working to manage the financial risks are accountable to the Audit Committee and the Board of Directors. This process provides assurance to the Group's senior management that the Group's financial risks-taking activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and the Group's risk appetite.

This Note explains the sources of risk which the entity is exposed to and how the entity manages the risk. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

**(a) Credit Risk:**

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The Group is exposed to credit risk from its operating activities (primarily Trade Receivables) and from its investing activities (primarily Deposits with Banks and Investments in Mutual Funds).

**Trade Receivables**

Trade receivables are typically unsecured and are derived from revenue earned from customers. Customer credit risk is managed centrally and is subject to the Group's policy and procedures which involve credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Group grants credit terms in the normal course of business. Outstanding customer receivables are regularly monitored. The Group uses expected credit loss model to assess the impairment loss. The Group uses a provision matrix to compute the expected credit loss allowance for trade receivables. The provision matrix takes into account available external and internal credit risk factors and the Group's historical experience with customers.

**Other Financial Assets**

Credit risk from balances with banks, term deposits, loans and investments is managed by Group's finance department. Investments of surplus funds are made only with approved counterparties who meet the minimum threshold requirements. The Group's maximum exposure to credit risk for the components of the Balance Sheet as of 31st March 2024 and 31st March 2023 is the carrying amount as disclosed in Note 48.

**Financial Assets that are Neither Past Due Nor Impaired**

None of the Group's cash equivalents with banks, loans and investments were past due or impaired as at 31st March 2024 and 31st March 2023.

**Financial Assets that are Past Due but Not Impaired**

The Group's credit period for customers generally ranges from 0 - 60 days. The ageing of trade receivables that are past due but not impaired (net of provisions/allowances) is given below:

₹ in Lakhs

| Particulars | Outstanding for following periods from due date of payment as at 31st March 2024 | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Less than 6 months | 6 months -1 year | 1-2 years | 2-3 years | More than 3 years | Sub-Total | Unbilled Revenue | Receivable not yet due | Total |
| (i) Undisputed Trade receivables-considered good | 6,513.28 | 479.38 | 213.24 | 7.25 | 0.01 | **7,213.16** | 53.59 | 14,348.41 | **21,615.16** |
| (ii) Undisputed Trade Receivables-significant increase in credit risk | - | - | - | - | - | **-** | - | - | **-** |
| (iii) Undisputed Trade Receivables-credit impaired | 1.98 | - | 16.12 | 67.38 | 23.69 | **109.17** | - | - | **109.17** |
| (iv) Disputed Trade Receivables-considered good | - | - | - | - | - | **-** | - | - | **-** |
| (v) Disputed Trade Receivables-significant increase in credit risk | - | - | - | - | - | **-** | - | - | **-** |
| (vi) Disputed Trade Receivables-credit impaired | - | - | - | - | 1,896.27 | **1,896.27** | - | - | **1,896.27** |
| **Total** | **6,515.26** | **479.38** | **229.36** | **74.63** | **1,919.97** | **9,218.60** | **53.59** | **14,348.41** | **23,620.60** |

₹ in Lakhs

| Particulars | Outstanding for following periods from due date of payment as at 31st March 2023 | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Less than 6 months | 6 months -1 year | 1-2 years | 2-3 years | More than 3 years | Sub-Total | Unbilled Revenue | Receivable not yet due | Total |
| (i) Undisputed Trade receivables-considered good | 8,486.95 | 820.75 | 72.52 | 14.84 | 17.22 | **9,412.28** | 113.08 | 15,987.62 | **25,512.98** |
| (ii) Undisputed Trade Receivables-significant increase in credit risk | - | - | - | - | - | **-** | - | - | **-** |
| (iii) Undisputed Trade Receivables-credit impaired | - | 1.09 | 20.76 | 1.02 | 84.24 | **107.11** | - | - | **107.11** |
| (iv) Disputed Trade Receivables-considered good | - | - | - | - | - | **-** | - | - | **-** |
| (v) Disputed Trade Receivables-significant increase in credit risk | - | - | - | - | - | **-** | - | - | **-** |
| (vi) Disputed Trade Receivables-credit impaired | - | - | - | - | 1,870.42 | **1,870.42** | - | - | **1,882.60** |
| **Total** | **8,486.95** | **821.84** | **93.28** | **15.86** | **1,971.88** | **11,389.81** | **113.08** | **15,987.62** | **27,502.69** |

Receivables are deemed to be past due or impaired with reference to the Group's policy on provisioning of receivables. Further, case to case basis are analysed with reference to the customer's credit quality and prevailing market conditions. Receivables that are not classified as 'Unbilled Revenue' or 'Receivable not yet due' in the above tables are those that have not been settled within the terms and conditions that have been agreed with that customer.

Other than trade receivables, the Group has no significant class of financial assets that is past due but not impaired.

### Reconciliation of Provision for Loss Allowance - Trade receivables

₹ in Lakhs

| Particulars | As at 31st March 2024 | As at 31st March 2023 |
|---|---|---|
| Balance at the beginning of the Year | 1,977.53 | 2,407.50 |
| Provision made during the Year | **16.12** | 15.03 |
| Provision written back during the Year | **(1.59)** | (4.30) |
| Bad debts during the year adjusted against Provision | **(12.80)** | (620.15) |
| Exchange differences on Consolidation | **26.18** | 179.45 |
| **Balance at the end of the Year** | **2,005.44** | **1977.53** |

**(b) Liquidity Risk**

Liquidity risk is the risk that the Group may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Group's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Group closely monitors its liquidity position and maintains adequate sources of financing.

Prudent risk liquidity management implies maintaining sufficient cash and cash equivalents and the availability of committed credit facilities to meet obligations when due.

Management monitors rolling forecasts of the Group's liquidity position on the basis of expected cash flow. The Parent Company has access to the following undrawn borrowing facilities at the end of the reporting period.

₹ in Lakhs

| | As at 31st March 2024 | As at 31st March 2023 |
|---|---|---|
| Fund Based - Cash Credit, Bank Overdraft | **5,000.00** | 900.00 |
| Non Fund Based - Letter of Credit, Bank Guarantee | **1,750.00** | 1,750.00 |

**Note:** The Parent Company has made necessary filings with the Registrar of Companies (RoC) for registration of charges against above mentioned sanctioned limits within the statutory timelines.

The quarterly returns/statements of the Current Assets filed by the Parent Company with respective banks are in agreement with the books of accounts, other than as set out below:

| Name of the Bank | Aggregate working capital limits sanctioned (₹ in Lakhs) | Nature of Current Assets offered as Security | Quarter ended | Amount disclosed as per quarterly returns/ statements (₹ in Lakhs) | Amount as per books of account (₹ in Lakhs) | Difference (₹ in Lakhs) | Reasons for difference |
|---|---|---|---|---|---|---|---|
| HDFC Bank Limited | 6,750.00 | Exclusive Charge on Stock and Book Debt | 30th June 2023 | 25,283.20 | 25,305.38 | (22.18) | Incorrect amount of Gross Trade Receivables |

**Maturities of Financial Liabilities**

The table below analyse Company's financial liabilities into relavant maturity groupings based on their contractual maturities. The amount disclosed in the table are the contractual undiscounted cash flows.

**Liquidity Risk : Maturities of Financial Liabilities**

₹ in Lakhs

| Particulars | As at 31st March 2024 | | | | |
|---|---|---|---|---|---|
| | Upto 1 Year | 1 Year to 3 Years | 3 Years to 5 Years | More than 5 Years | Total |
| Trade Payables | 19,552.09 | - | - | - | **19,552.09** |
| Lease Liabilities | 18,954.08 | 31,604.59 | 26,745.09 | 75,971.27 | **153,275.03** |
| Other Financial Liabilities | 1,298.87 | 79.14 | 67.35 | 109.20 | **1,554.56** |
| **Total** | **39,805.04** | **31,683.73** | **26,812.44** | **76,080.47** | **174,381.68** |

₹ in Lakhs

| Particulars | As at 31st March 2023 | | | | |
|---|---|---|---|---|---|
| | Upto 1 Year | 1 Year to 3 Years | 3 Years to 5 Years | More than 5 Years | Total |
| Trade Payables | 17,498.34 | - | - | - | 17,498.34 |
| Lease Liabilities | 10,448.00 | 13,158.69 | 6,439.12 | 12,555.43 | 42,601.24 |
| Other Financial Liabilities | 1,483.01 | 56.57 | 45.95 | 106.71 | 1,692.24 |
| **Total** | **29,429.35** | **13,215.26** | **6,485.07** | **12,662.14** | **61,791.82** |

**(c) Market Risk:**

a) Foreign Currency Exchange Rate Risk:

Foreign currency risk is the risk that the fair value of the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group transacts business in local currency and in foreign currencies. The Group has foreign currency trade receeivables and trade payables and is therefore exposed to foreign curreny risk. The Group strives to acheive asset - liability offset of foreign currency exposures.

**i) Foreign Currency Risk Exposure:**

The Company's exposure to foreign currency risk at the end of the reporting period expressed in INR, are as follows:

₹ in Lakhs

| Receivables in foreign currency | As at March 31, 2024 | | As at March 31, 2023 | |
|---|---|---|---|---|
| | Foreign currency in Lakhs | ₹ in Lakhs | Foreign currency in Lakhs | ₹ in Lakhs |
| EUR | 0.07 | 5.75 | - | - |
| SGD | ^0.00 | ^0.00 | ^0.00 | 0.26 |
| USD | 0.53 | 42.92 | 0.22 | 17.68 |

₹ in Lakhs

| Payables in foreign currency | As at March 31, 2024 | | As at March 31, 2023 | |
|---|---|---|---|---|
| | Foreign currency in Lakhs | ₹ in Lakhs | Foreign currency in Lakhs | ₹ in Lakhs |
| EUR | 0.06 | 5.34 | 0.55 | 49.60 |
| SGD | 0.09 | 9.29 | 0.03 | 2.76 |
| USD | 0.55 | 46.87 | 0.68 | 57.13 |

^Amount is below the rounding off norm adopted by the Company.

**ii) Sensitivity:**

The sensitivity of profit or loss to changes in the foreign exchange rates arises mainly from foreign currency denominated financial instruments.

₹ in Lakhs

| Payables in foreign currency | Impact on Profit before Tax | | | |
|---|---|---|---|---|
| | Receivables ₹ in Lakhs | | Payables ₹ in Lakhs | |
| | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2024 | As at March 31, 2023 |
| **EUR Sensitivity** | | | | |
| INR/EUR - Increase by 10% * | **0.58** | - | (0.53) | (4.96) |
| INR/EUR - Decrease by 10% * | **(0.58)** | - | 0.53 | 4.96 |
| **GBP Sensitivity** | | | | |
| INR/GBP - Increase by 10% * | **-** | - | (0.93) | (0.28) |
| INR/GBP - Decrease by 10% * | **-** | - | 0.93 | 0.28 |
| **SGD Sensitivity** | | | | |
| INR/SGD - Increase by 10% * | **^0.00** | 0.03 | - | - |
| INR/SGD - Decrease by 10% * | **(^0.00)** | (0.03) | - | - |
| **USD Sensitivity** | | | | |
| INR/USD - Increase by 10% * | **4.29** | 1.77 | (4.69) | (5.71) |
| INR/USD - Decrease by 10% * | **(4.29)** | (1.77) | 4.69 | 5.71 |

* Holding all other variables constant

^Amount is below the rounding off norm adopted by the Company.

**iii) Interest Rate Risk :**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group does not have any interest bearing financial liabilities. The Group's interest earning financial assets are loan given to subsidiary and term deposits with banks, which are fixed rate interest bearing investments and accordingly, the Group is not significantly exposed to interest rate risk.

**(d) Securities Price Risk**

Securities price risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market traded prices. The Group invests its surplus funds in various debt instruments, which mainly comprises liquid schemes of mutual funds. Mutual fund investments are susceptible to market price risk, mainly arising from changes in the interest rates or market yields which may impact the return and value of such investments.

**Securities Price Risk Exposure**

The Group's exposure to securities price risk arises from investments in mutual funds held by the Group and classified in the Balance Sheet as fair value through profit or loss, as disclosed in Note 48.

## 50. Capital Management

The Group's objectives when managing capital are to

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

The Group determines the amount of capital required on the basis of annual business plan also taking into consideration any long term strategic investment and expansion plans. The funding needs are met through equity and cash generated from operations.

## 51(A) Ageing Schedule

**(a) Trade Payables**

₹ in Lakhs

| Particulars | Outstanding for following periods from due date of payment as at 31st March 2024 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Sub-Total | Unbilled Trade Payable | Trade payable - not yet due | Total |
| **Undisputed Trade Payables** | | | | | | | | |
| Micro Enterprises and Small Enterprises | 254.94 | 20.08 | 5.22 | 10.08 | **290.32** | - | 171.46 | **461.78** |
| Others | 6,640.85 | 343.00 | 70.64 | 43.51 | **7,098.00** | 6,191.18 | 5,801.13 | **19,090.31** |
| **Disputed Trade Payables** | | | | | | | | |
| Micro Enterprises and Small Enterprises | - | - | - | - | - | - | - | - |
| Others | - | - | - | - | - | - | - | - |
| **Total** | **6,895.79** | **363.08** | **75.86** | **53.59** | **7,388.32** | **6,191.18** | **5,972.59** | **19,552.09** |

₹ in Lakhs

| Particulars | Outstanding for following periods from due date of payment as at 31st March 2023 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Sub-Total | Unbilled Trade Payable | Trade payable - not yet due | Total |
| **Undisputed Trade Payables** | | | | | | | | |
| Micro Enterprises and Small Enterprises | 263.70 | - | - | - | **263.70** | - | 212.73 | **476.43** |
| Others | 4,013.94 | 252.47 | 83.68 | 16.97 | **4,367.06** | 6,684.93 | 5,969.92 | **17,021.91** |
| **Disputed Trade Payables** | | | | | | | | |
| Micro Enterprises and Small Enterprises | - | - | - | - | - | - | - | - |
| Others | - | - | - | - | - | - | - | - |
| **Total** | **4,277.64** | **252.47** | **83.68** | **16.97** | **4,630.76** | **6,684.93** | **6,182.65** | **17,498.34** |

**(b) Intangible Assets under Development**

(i) Ageing

₹ in Lakhs

| Particulars | As at 31st March 2024 | | | | |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| Projects in progress | **28.90** | - | - | **5.85** | **34.75** |

There are no projects which have been temporarily suspended as at 31st March 2024

₹ in Lakhs

| Particulars | As at 31st March 2023 | | | | |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| Projects in progress | - | - | - | **5.85** | **5.85** |

There are no projects which have been temporarily suspended as at 31st March 2023

ii) For Intangible Assets under Development, whose completion is overdue or has exceeded its cost compared to its original plan, following is the completion schedule

₹ in Lakhs

| Particulars | As at 31st March 2024 | | | | |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| Business Process Re-engineering | **5.85** | - | - | - | **5.85** |

₹ in Lakhs

| Particulars | As at 31st March 2023 | | | | |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| Business Process Re-engineering | **5.85** | - | - | - | **5.85** |

## 51(B) Additional Regulatory Information required by Schedule III

**(a) Details of benami property held**

No proceedings have been initiated on or are pending against the Group for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

**(b) Wilful defaulter**

The companies in the Group have not been declared wilful defaulter by any bank or financial institution or government or any government authority.

**(c) Relationship with struck off companies**

The Group has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

**(d) Compliance with number of layers of companies**

The Group has complied with the number of layers prescribed under the Companies Act, 2013.

**(e) Compliance with approved scheme(s) of arrangements**

The Group has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

**(f) Utilisation of borrowed funds and share premium**

(i) The Parent Company and its subsidiary company incorporated in India have not advanced or loaned or invested funds to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediaries shall:

a. directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or such subsidiary company ("Ultimate Beneficiaries"), or

b. provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The Parent Company and its subsidiary company incorporated in India have not received any funds from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or such subsidiary company shall:
a. directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries"), or
b. provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

**(g) Undisclosed Income**

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961 that has not been recorded in the books of accounts.

**(h) Details of crypto currency or virtual currency**

The Group has not traded or invested in crypto currency or virtual currency during the current or previous year.

**(i) Valuation of Property, Plant and Equipment (including Right-of-use Assets) and Intangible Assets**

The Group has not revalued its Property, Plant and Equipment (including Right-of-use Assets) or Intangible Assets or both during the current or previous year.

## 52. LIST OF RELATED PARTIES AND RELATIONSHIP

**(a) Entities with Joint Control of or Significant influence over the Parent Company:**

| Name | Type | Place of Incorporation |
|---|---|---|
| Tata Steel Limited | Joint Venturer | India |
| IQ Martrade Holding and Management GmbH | Joint Venturer | Germany |
| NYK Holding (Europe) B.V. | Joint Venturer | Netherlands |

**(b) Joint Venture of Entities with Joint Control of or Significant influence over the Parent Company:**

- Tata NYK Shipping Pte Limited
- mjunction services limited
- TRF Limited

**(c) The Group has the following Fellow Subsidiaries with which Transactions have taken place during the Current/ Previous Year**

- The Indian Steel and Wire Products Limited
- Tata Metaliks Limited (Merged with Tata Steel Limited)
- Jamshedpur Continous Annealing & Processing Company Private Limited
- Tata Steel Long Products Limited (Merged with Tata Steel Limited)
- The Tinplate Company of India Limited (Merged with Tata Steel Limited)
- Tata Steel Mining Limited (Merged with Tata Steel Limited)
- Tata Steel Utilities and Infrastructure Services Limited
- Tata Steel Downstream Products Limited
- Neelachal Ispat Nigam Limited
- Subarnarekha Port Private Limited

**(d) Key Managerial Personnel of the Parent Company**

| Name | Relationship |
|---|---|
| Mr. Dinesh Shastri | Managing Director |
| Mr. Virendra Sinha | Independent Director |
| Mr. Shinichi Yanagisawa (w.e.f. 1st April 2022) | Non-Executive Director |
| Mr. Peeyush Gupta | Non-Executive Director |
| Mr. Sandeep Bhattacharya (till 3rd January 2023) | Non-Executive Director |
| Mr. Guenther Hahn | Non-Executive Director |
| Ms. Stephanie Sabrina Hahn | Non-Executive Director |
| Mr. Dibyendu Dutta (w.e.f. 18th May 2023) | Non-Executive Director |
| Mr. Rajiv Mukerji (till 31st December 2022) | Non-Executive Director |
| Mr. Amitabh Panda | Non-Executive Director |
| Captain Amit Wason (till 23rd November 2022) | Non-Executive Director |
| Captain Sandeep Chawla (w.e.f 19th January 2023) | Non-Executive Director |
| Mr. Subodh Pandey (w.e.f 19th January 2023) | Non-Executive Director |

**(e) Others with which Transactions have taken place during the Current/ Previous Year**

| Name | Relationship |
|---|---|
| TM International Logistics Limited Employees' Provident Fund | Post Employment Benefit Plan of the Parent Company |

## 53. Particulars of Transactions with Related Parties during the Year and Balances Outstanding at Year-end

₹ in Lakhs

| Particulars | Entities with Joint Control of or Significant Influence over the Company | Fellow Subsidiaries | Joint Venture of Tata Steel Limited | Total |
|---|---|---|---|---|
| **Transactions during the Year** | | | | |
| Rendering of Services | **91,124.23** | **1,561.15** | **280.21** | **92,965.59** |
| | *(67,470.21)* | *(4,814.94)* | *(257.12)* | *(72,542.27)* |
| Deputation Income Earned | **-** | **-** | **101.43** | **101.43** |
| | - | - | *(91.07)* | *(91.07)* |
| Receiving of Services | **576.31** | **-** | **-** | **576.31** |
| | *(621.01)* | - | - | *(621.01)* |
| Reimbursement Received | **82,374.04** | **2,956.67** | **5,024.35** | **90,355.06** |
| | *(74,467.06)* | *(5,320.68)* | *(4,673.53)* | *(84,461.27)* |
| Dividend Paid | **22,000.00** | **-** | **-** | **22,000.00** |
| | *(3,300.00)* | - | - | *(3,300.00)* |
| **Balance outstanding at Year-end** | | | | |
| Trade Receivables | **16,440.19** | **462.88** | **284.50** | **17,187.57** |
| | *(15,750.59)* | *(2,401.37)* | *(301.33)* | *(18,453.29)* |
| Security Deposit Received | **32.64** | **-** | **-** | **32.64** |
| | *(71.65)* | - | - | *(71.65)* |
| Advance to Supplier/Service Provider | **5.04** | **-** | **-** | **5.04** |
| | - | - | - | - |
| Trade Payables | **186.82** | **-** | **-** | **186.82** |
| | *(91.74)* | - | - | *(91.74)* |
| Other Financial Liabilities- Other Liabilities | **1,216.16** | **-** | **-** | **1,216.16** |
| | *(1,359.04)* | - | - | *(1,359.04)* |
| Security Deposit Given | **0.81** | **-** | **-** | **0.81** |
| | *(0.81)* | - | - | *(0.81)* |
| Contract Liabilities | **5,137.13** | **74.08** | **186.10** | **5,397.31** |
| | *(1,852.90)* | *(997.66)* | *(271.26)* | *(3,121.82)* |

Figures in bracket represents transactions with related parties during the Year ended 31st March 2023 and balances as at 31st March 2023.

### Post Employment Benefit Plans

₹ in Lakhs

| Particulars | For the Year ended 31st March 2024 | For the Year ended 31st March 2023 |
|---|---|---|
| Contribution to TM International Logistics Limited Employees' Provident Fund | **71.33** | 242.95 |

### Transactions with Key Management Personnel during the Year and Balances Outstanding at Year-end

₹ in Lakhs

| Particulars | For the Year ended 31st March 2024 | For the Year ended 31st March 2023 |
|---|---|---|
| **Remuneration to Key Management Personnel** | | |
| Short-term Benefits # | **368.74** | 295.67 |
| | | |
| **Balance Outstanding as at the Year end** | | |
| Short-term Benefits (grouped under Trade Payables) | **31.51** | 25.33 |
| Commission Payable to Key Management Personnel (grouped under Trade Payables) | **20.00** | 20.00 |

# Includes Deputation Charges paid to Tata Steel Limited for Mr. Dinesh Shastri (Managing Director) - **₹ 340.14 Lakhs** (31st March 2023: ₹ 267.67 Lakhs).

### 54. Additional information as required by Schedule III to the Act

₹ in Lakhs

| | Net Assets, i.e., Total Assets Minus Total Liabilities | | Share in Profit/(Loss) | | Share in Other Comprehensive Income | | Share in Total Comprehensive Income | |
|---|---|---|---|---|---|---|---|---|
| | As % of Consolidated Net Assets | Amount (₹ in Lakhs) | As % of Consolidated Profit/(Loss) | Amount (₹ in Lakhs) | As % of Consolidated Other Comprehensive Income | Amount (₹ in Lakhs) | As % of Consolidated Other Comprehensive Income | Amount (₹ in Lakhs) |
| **Parent** | | | | | | | | |
| TM International Logistics Limited | **41.80%** | **27,965.69** | **712.85%** | **24,418.44** | **-26.47%** | **(100.68)** | **638.98%** | **24,317.76** |
| | *30.14%* | *25,647.93* | *68.49%* | *5,479.07* | *1.10%* | *40.37* | *47.27%* | *5,519.44* |
| **Subsidiaries** | | | | | | | | |
| Indian | | | | | | | | |
| 1. TKM Global Logistics Limited | **6.24%** | **4,172.51** | **319.28%** | **10,937.12** | **-0.99%** | **(3.78)** | **287.29%** | **10,933.34** |
| | *3.81%* | *3,239.17* | *32.94%* | *2,635.02* | *0.24%* | *8.74* | *22.64%* | *2,643.76* |
| **Foreign** | | | | | | | | |
| 1. International Shipping & Logistics FZE | **41.05%** | **27,461.99** | **32.39%** | **1,110.00** | **100.84%** | **383.48** | **39.24%** | **1,493.48** |
| | *44.75%* | *38,081.52* | *63.27%* | *5,061.44* | *74.77%* | *2,749.74* | *66.89%* | *7,811.18* |
| | | | | | | | | |
| 2. TKM Global GmbH | **11.70%** | **7,824.51** | **32.25%** | **1,104.71** | **33.50%** | **127.40** | **32.38%** | **1,232.11** |
| | *21.85%* | *18,597.53* | *6.88%* | *550.67* | *23.81%* | *875.74* | *12.22%* | *1,426.41* |
| | | | | | | | | |
| 3. TKM Global China Limited | **1.01%** | **673.40** | **-1.02%** | **(34.92)** | **-6.87%** | **(26.13)** | **-1.60%** | **(61.05)** |
| | *0.86%* | *734.46* | *1.67%* | *133.60* | *0.08%* | *2.95* | *1.17%* | *136.55* |
| | | | | | | | | |
| **Sub Total 31st March 2024** | | **68,098.10** | | **37,535.35** | | **380.29** | | **37,915.64** |
| Sub Total 31st March 2023 | | *86,300.61* | | *13,859.80* | | *3,677.54* | | *17,537.34* |
| Elimination / Adjustment on Consolidation | | | | | | | | |
| **31st March 2024** | **-1.78%** | **(1,193.84)** | **-995.77%** | **(34,109.94)** | | | **-896.29%** | **(34,109.94)** |
| 31st March 2023 | *-1.41%* | *(1,202.03)* | *-73.26%* | *(5,860.16)* | | | *-50.19%* | *(5,860.16)* |
| **Grand Total 31st March 2024** | | **66,904.26** | | **3,425.41** | | **380.29** | | **3,805.70** |
| Grand Total 31st March 2023 | | *85,098.56* | | *7,999.64* | | *3,677.54* | | *11,677.18* |

*Figures in italics represents comparative figures as at 31st March 2023 and for the year ended 31st March 2023.*

₹ in Lakhs

| Particulars | For the Year ended 31st March 2024 | For the Year ended 31st March 2023 |
|---|---|---|
| **Dividend declared and paid during the year by the Parent Company** | | |
| Final dividend for the year ended 31st March 2023 of Rs. 22.22 per fully paid share with face value of Rs. 10/- each (31st March 2022: Rs. 18.33/- per fully paid share with face value of Rs. 10/- each) proposed by the Board of Directors and approved by the Shareholders in the Annual General Meeting | 4,000.00 | 3,300.00 |
| Interim dividend for the year ended 31st March 2024 of Rs. 100/- per fully paid share with face value of Rs. 10/- each (31st March 2023: Rs. Nil per fully paid share with face value of Rs. 10/- each) approved by the Board of Directors | 18,000.00 | - |

**For Price Waterhouse & Co Chartered Accountants LLP**
**Firm Registration No. 304026E / E300009**

**Dhiraj Kumar**
Partner
Membership Number: 060466

Place: Kolkata
**Date: 25th April 2024**

**For and on behalf of the Board of Directors**

**Dinesh Shastri**
Managing Director
DIN: 02069346

**Peeyush Gupta**
Chairman
DIN: 02840511

**Jyoti Purohit**
Company Secretary

**Nandan Nandi**
Chief Financial Officer

Place: Kolkata
**Date: 25th April 2024**

# NOTES

TMILL Group

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**Corporate Office**
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