

DIRECTORS' REPORT TO THE SHAREHOLDERS

Your Directors present their Fourth Report together with the audited Financial Statements of your Company for the year ended 31st March, 2016.

FINANCIAL HIGHLIGHTS AND STATE OF COMPANY'S AFFAIRS

	For the year ended 31 st March, 2016	(Rs. in Lacs) For the year ended 31 st March, 2015
Income		
Revenue from Operations	1590.99	132.85
Other Income	8.89	12.96
Total Income	1599.88	145.81
Expenses		
Cost of Raw Material and Components Consumed	-	-
(Increase)/decrease in inventories	-	-
Employee Benefit Expenses	72.76	1.99
Other Expenses	1308.27	127.35
Depreciation and Amortisation Expenses	155.86	2.56
Finance Cost	72.57	0.44
Total Expenses	1609.46	132.34
Profit/(Loss) Before Tax	(9.58)	13.47
Less: Provision for Taxation		
- Current Tax	-	2.30
- Deferred Tax Expense	(2.93)	1.86
Profit/(Loss) After Tax for the year	(6.65)	9.31
Balance of Profit from earlier years	10.01	0.70
Balance Carried Forward	3.36	10.01
Amount carried forward to Reserves	-	-
Networth	404.36	411.01

No material changes and commitments have occurred after the closure of the year under review till the date of this report which would affect the financial position of the Company.

OPERATIONS

During the year your Company has purchased Eighty six Car Carrier Vehicles to increase the business in automotive logistics services. Your Company has recorded total income of Rs. 1599.88 Lacs for the year under review as against total income of Rs. 145.81 lacs in the previous year. The Net loss after Tax is Rs. 6.65 Lacs for the year under review as against Net profit of Rs. 9.31 lacs for the previous year. Higher Depreciation burden due to acquisition of Car Carriers all throughout the year resulted in minor loss for the year.

DIVIDEND

Your Directors have not recommended any dividend for the year.

SHARE CAPITAL

The authorized share capital of your Company is Rupees Seven Crore Fifty Lacs for the year under review.

The paid-up share capital of your Company as on 31st March, 2016 stood at Rs. 4,01,00,000 divided into 40,10,000 equity shares of face value Rs. 10/- each

BOARD OF DIRECTORS

Mr. Sushil Kumar Rathi (DIN – 05358211) retires by rotation at the forthcoming Annual General Meeting, and being eligible, has offered himself for re-appointment.

Composition of Board

Name of the Director	DIN	Executive/ Non Executive	Independent/ Non Independent	No of Board meetings attended
Mr. Nikhil Nayak	05358216	Non Executive	Non Independent	4
Mr. Sushil Rathi	05358211	Non Executive	Non Independent	4
Mr. Nitin Singhal	00255702	Non Executive	Non Independent	4
Mr. Kishan Singhal	00255542	Non Executive	Non Independent	4
Mr. Anant Gupta	06946611	Non Executive	Non Independent	4

NUMBER OF MEETINGS

The Board met Four times during the year under review, i.e. on 28th April, 2015, 28th July, 2015, 21st October, 2015 and 1st February, 2016.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Companies Act, 2013, your Directors, based on representation from the operating management and after due enquiry, confirm that:

- in the preparation of the annual financial statements for the year ended 31st March, 2016 the applicable accounting standards have been followed;
- they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year on 31st March, 2016 and of the loss of the Company for the financial year ended on that date;
- they have 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;
- they have prepared the annual accounts on a going concern basis; and
- they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

FRAUDS REPORTED BY AUDITORS

During the year under review, the Statutory Auditors has not reported any instances of frauds committed in the Company by its officers or employees to the Board under Section 143(12) of the Companies Act 2013, details of which needs to be mentioned in this report.

RISK MANAGEMENT POLICY

The Board has formulated a Risk Management Policy for the Company which identifies elements of risk, if any which may threaten the existence of the Company. Implementation of the Risk Management Policy is expected to be helpful in managing the risks associated with the business of the Company.

STATUTORY AUDITORS

At the second Annual General Meeting, held on 25th July, 2014, M/s. B. K. Khare & Co., Chartered Accountants, (ICAI registration number 105102W) were appointed as the statutory auditors of your Company to hold office from the conclusion of the Second Annual General Meeting till the conclusion of Seventh Annual General Meeting.

M/s. B. K. Khare & Co., Chartered Accountants, (ICAI registration number 105102W) have given a written consent to act as Auditors of your Company, if appointment is ratified, and have also confirmed that the said ratification of appointment would be in conformity with the provisions of Sections 139 and 141 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014.

The members are requested to ratify the appointment of statutory auditors of the Company at the ensuing Annual General Meeting and fix their remuneration.

The Auditors' Report does not contain any qualification, reservation or adverse remark.

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

The particulars relating to the energy conservation, technology absorption and foreign exchange earnings and outgo, as required under Section 134(3)(m) of the Companies Act, 2013 read with the Companies Rule 8(3) of The Companies (Accounts) Rules, 2014 are provided in Annexure I and forms part of this report.

PARTICULARS OF EMPLOYEES AS REQUIRED UNDER RULE 5(2) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

Being unlisted company, provisions of Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are not applicable to your Company.

CORPORATE SOCIAL RESPONSIBILITY (CSR) INITIATIVES

The provisions relating to CSR enumerated under Section 135 of the Companies Act, 2013 are not applicable to your Company.

PARTICULARS OF PUBLIC DEPOSITS, LOANS, GUARANTEES OR INVESTMENTS

Your Company has not accepted any deposits from the public or its employees, during the year. There were no other deposits falling under Rule 2(1)(c) of the Companies (Acceptance of Deposits) Rules, 2014 at the beginning of the year, during the year and at the end of the year. There are no deposits which are not in compliance with the requirement of Chapter V of the Companies Act, 2013.

Your Company has not made any loans, investments and guarantees which are required to be disclosed in the annual accounts of the Company pursuant to Section 186 of the Companies Act, 2013.

Your Company has not made any loans/advances which are required to be disclosed in the annual accounts of the Company pursuant to Regulations 34(3) and 53(f) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Schedule V thereto applicable to the parent Company, Mahindra and Mahindra Limited.

PARTICULARS OF TRANSACTIONS WITH RELATED PARTIES

Particulars of contracts or arrangements with related parties of the Company referred to under Section 188(1) of the Companies Act, 2013 are given in Form AOC - 2 as Annexure II and the same forms part of this report.

EXTRACT OF ANNUAL RETURN

Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of the Annual Return as on 31st March, 2016 in form MGT-9 is annexed as Annexure III and forms part of this report.

THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

During the year under review, no complaints were received under the Sexual Harassment of Women at Work Place (Prevention, Prohibition and Redressal) Act, 2013, for prevention of sexual harassment.

INTERNAL FINANCIAL CONTROLS

Pursuant to Rule 8 of the Companies (Accounts) Rules, 2014, based on the representation received and after due enquiry, your Directors confirm that they have laid down internal financial controls with reference to the Financial Statements and these controls are adequate.

GENERAL DISCLOSURES

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

- Issue of equity shares with differential rights as to dividend, voting or otherwise.
- Issue of shares (including Sweat equity Shares) to employees of the Company under any scheme.
- No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and the Company's operations in future.
- There were no Shares having voting rights not exercised directly by the employees and for the purchase of which or subscription to which loan was given by the Company.

ACKNOWLEDGEMENT

Your Directors would like to place on record their sincere thanks for the cooperation and support received from your Company's bankers, stakeholders, business associates and various agencies of the Central and State Governments.

For and on behalf of the Board

Nikhil Nayak	Sushil Rathi	Nitin Singhal
Chairman	Director	Director
05358216	05358211	00255702

ANNEXURE I TO THE DIRECTORS' REPORT

PARTICULARS AS PER THE COMPANIES (ACCOUNTS) RULES, 2014 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2016.

A. CONSERVATION OF ENERGY

- (i) the steps taken or impact on conservation of energy:-

The operations of your Company are not energy - intensive. However adequate measures have been initiated to reduce energy consumption.

- (ii) the steps taken by the company for utilizing alternate sources of energy: Nil
 (iii) the capital investment on energy conservation equipment: Nil

B. TECHNOLOGY ABSORPTION

- i) The efforts made towards technology absorption: Not Applicable.
 ii) The benefits derived like product improvement, cost reduction, product development or import substitution: Nil
 iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year) – Not Applicable
 (a) the details of technology imported:
 (b) the year of import:
 (c) whether the technology been fully absorbed:
 (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof:
 iv) the expenditure incurred on Research and Development: Nil

C. FOREIGN EXCHANGE EARNINGS AND OUTGO: (in terms of actual inflow and outflow)

There were no Foreign Exchange earnings and outgo during the year under review.

For and on behalf of the Board

Nikhil Nayak
 Chairman
 05358216

Sushil Rathi
 Director
 05358211

Nitin Singhal
 Director
 00255702

Mumbai, 26th April, 2016

ANNEXURE II TO THE DIRECTORS' REPORT**FORM NO. AOC -2****(Pursuant to clause (h) of Sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.)**

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in Sub section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso thereto.

1. **Details of contracts or arrangements or transactions not at Arm's length basis - NIL**
2. **Details of Material contracts or arrangements or transactions at Arm's length basis.**

Sr. No.	Particulars	Details-1	Details-2	Details-3
a)	Name (s) of the related party & nature of relationship	Mahindra Logistics Limited – Holding Company	Indian Vehicle Carriers Private Limited- Private Company in which Director of the Company is Member	Mahindra and Mahindra Limited-Holding Company
b)	Nature of contracts/ arrangements/transaction	Transportation Agreement	Transportation Agreement	Purchase of vehicle
c)	Duration of the contracts/ arrangements/transaction	01 st Dec, 2014 to 31 st March, 2017	01 st Dec, 2014 to 31 st March, 2017	01 st April, 2015 to 31 st March, 2016
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Transportation services at an agreed rate from time to time. Rs. 13,11,95,311/-	Transportation services at an agreed rate from time to time. Rs. 6,27,29,813/-	Delivery against payment - Rs. 6,91,11,087/-
e)	Date of approval by the Board	26/04/2016	26/04/2016	26/04/2016
f)	Amount paid as advances, if any	Nil	Nil	Nil

Note:

Contracts/transactions/arrangements for rendering of services for an amount exceeding 10% of turnover of the Company or Rs. fifty crore, whichever is lower is considered as material for the purpose of this disclosure.

For and on behalf of the Board

Nikhil Nayak
Chairman
05358216

Sushil Rathi
Director
05358211

Nitin Singhal
Director
00255702

Mumbai, 26th April, 2016

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
b. Bank/FI	-	-	-	-	-	-	-	-	-
c. Cent. Govt.	-	-	-	-	-	-	-	-	-
d. State Govt.	-	-	-	-	-	-	-	-	-
e. Venture Capital	-	-	-	-	-	-	-	-	-
f. Insurance Co.	-	-	-	-	-	-	-	-	-
g. FIs	-	-	-	-	-	-	-	-	-
h. Foreign Portfolio Corporate	-	-	-	-	-	-	-	-	-
i. Foreign Venture Capital Fund	-	-	-	-	-	-	-	-	-
j. Others	-	-	-	-	-	-	-	-	-
Sub-Total-B (1)	-	-	-	-	-	-	-	-	-
2. Non-Institution									
a. Body Corp.	-	-	-	-	-	-	-	-	-
b. Individual	-	-	-	-	-	-	-	-	-
i. Individual shareholders holding nominal share capital upto ₹ 1 lakh	-	-	-	-	-	-	-	-	-
ii. Individual shareholders holding nominal share capital in excess of ₹ 1 Lakh	-	-	-	-	-	-	-	-	-
c. Others									
(i) NRI (Rep)	-	-	-	-	-	-	-	-	-
(ii) NRI (Non-Rep)	-	-	-	-	-	-	-	-	-
(iii) Foreign National	-	-	-	-	-	-	-	-	-
(iv) OCB	-	-	-	-	-	-	-	-	-
(v) Trust	-	-	-	-	-	-	-	-	-
(vi) In Transit	-	-	-	-	-	-	-	-	-
Sub-Total-B (2)	-	-	-	-	-	-	-	-	-
Net Total (1+2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs									
Promoter and Promoter Group	-	-	-	-	-	-	-	-	-
Public	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)		40,10,000	40,10,000	100 %		40,10,000	40,10,000	100 %	-

ii. Shareholding of Promoters:

Sr. No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	
1	Mahindra Logistics Limited	22,05,499	55%	-	22,05,499	55%	-	-
2	Indian Vehicle Carriers Private Limited	18,04,500	45%	-	18,04,500	45%	-	-
3	Mr. K Chandrasekar (Nominee of Mahindra Logistics Limited)*	1	-	-	1	-	-	-

* The nominee shareholder of Mahindra Logistic Limited is employee of Mahindra Group of Companies and his name has been added for complying with the statutory provisions.

iii. Change in Promoters' Shareholding - NA**iv. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)**

Sr. No.	Top Ten Shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Nil	Nil	Nil	Nil	Nil

v. Shareholding of Directors and Key Managerial Personnel:

Sr. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Shareholding at the end of the year	
	Name of the Director/KMP	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	Nil	Nil	Nil	Nil	Nil

vi. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment:

Particulars	(Rs. in Lacs)			
	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year 01.04.2015				
1) Principal Amount	13.21	-	-	13.21
2) Interest due but not paid	-	-	-	-
3) Interest accrued but not due	-	-	-	-
Total of (1+2+3)	13.21	-	-	13.21
Change in Indebtedness during the financial year				
+ Addition	2573.06	-	-	2573.06
- Reduction	118.07	-	-	118.07
Net Change	2454.99	-	-	2454.99
Indebtedness at the end of the financial year-31.03.2016				
1) Principal Amount	2468.20	-	-	2468.20
2) Interest due but not paid	-	-	-	-
3) Interest accrued but not due	-	-	-	-
Total of (1+2+3)	2468.20	-	-	2468.20

vii. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-Time Directors and/or Manager: Not applicable

Sr. No.	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount (Rs. in Lacs)
1.	Gross Salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act	-	-	-
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	-	-	-
2.	Stock option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission			
	- As % of profit	-	-	-
	- others, specify	-	-	-
5.	Others, please specify Provident Fund & other Funds	-	-	-
	Performance Bonus	-	-	-
	Total (A)			
	Ceiling as per the Act	5% of the net profits of the Company		

B. Remuneration of other directors:

I. Independent Directors:- Not Applicable

Particulars of Remuneration	Name of Directors					Total Amount (Rs. in Lacs)
Fee for attending board committee meetings	-	-	-	-	-	-
Commission	-	-	-	-	-	-
Others	-	-	-	-	-	-
Total (1)	-	-	-	-	-	-

II. Other Non-Executive Directors:- Nil

Other Non-Executive Directors						Total Amount (Rs. in Lacs)
Fee for attending board committee meetings	-	-	-	-	-	-
Commission	-	-	-	-	-	-
Others	-	-	-	-	-	-
Total (2)	-	-	-	-	-	-
Total B = (1+2)						

C. Remuneration to Key Managerial Personnel Other Than MD/Manager/WTD: Not applicable

Sr. No.	Particulars of Remuneration	Name of the KMP		Total Amount (Rs. in Lacs)
1.	Gross Salary	-	-	-
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act	-	-	-
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	-	-	-
2.	Stock option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission			
	- As % of profit	-	-	-
	- others, specify	-	-	-
5.	Others, please specify Contribution to Provident Fund	-	-	-
	Performance Bonus	-	-	-
	Total (C)	-	-	-

viii. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES (Under the Companies Act): Nil

	Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority (RD/ NCLT/court)	Appeal made, if any (give details)
Penalty	-	-	-	-	-	-
Punishment	-	-	-	-	-	-
Compounding	-	-	-	-	-	-
OTHER OFFICERS IN DEFAULT						
Penalty	-	-	-	-	-	-
Punishment	-	-	-	-	-	-
Compounding	-	-	-	-	-	-

For and on behalf of the Board

Nikhil Nayak
Chairman
05358216

Sushil Rathi
Director
05358211

Nitin Singhal
Director
00255702

INDEPENDENT AUDITOR'S REPORT

To the Members of **2 X 2 LOGISTICS PRIVATE LIMITED**

Report on the Financial Statements

1. We have audited the accompanying financial statements of **2 X 2 LOGISTICS PRIVATE LIMITED** ("the Company"), which comprise the balance sheet as at March 31, 2016, and the statements of profit and loss and cash flow for the period from April 1, 2015 to March 31, 2016, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance 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, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit.
4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial

control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

8. 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 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, 2016, and its profit and its cash flows for the period from April 1, 2015 to March 31, 2016.

Report on Other Legal and Regulatory Requirements

9. As required by the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in terms of Sub-section (11) of Section 143 of the Act (the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure I a statement on the matters specified in paragraphs 3 and 4 of the Order.
10. As required by Section 143(3) of the Act, we report that:
 - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. the Balance Sheet, the Statement of Profit and Loss and Cash Flow 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, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended);
 - e. on the basis of written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of Section 164(2) of the Act.
 - f. with respect to the adequacy of internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure II.

- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivate contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **B. K. Khare & Co.**
Chartered Accountants
Firm's Registration Number 105102W

H. P. Mahajani
Partner
Membership Number 030168

Mumbai
Date: 26th April, 2016

ANNEXURE I TO THE AUDITOR'S REPORT

Referred to in paragraph 9 of our report of even date on the financial statements of **2 X 2 Logistics Private Limited** for the year ended March 31, 2016.

Annexure to the Auditor's Report referred to in our report of even date:

- I. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
- (b) These fixed assets were physically verified by the Management during the year at reasonable intervals and discrepancies noticed during the verification were not material and have been properly dealt with in the books of accounts.
- (c) The Company does not own any immovable properties. Therefore, the provisions of Clause 3(i)(c) of the said Order are not applicable to the Company.
- II. The Company is in the business of logistics services and consequently, does not hold any inventory. Therefore, the provisions of Clause 3(ii) of the said order are not applicable to the Company.
- III. The Company has not granted any loans to parties covered in the register maintained under Section 189 of Companies Act, 2013. Therefore, Clause 3(iii) (a), (b) & (c) of the Companies (Auditor's Report) Order, 2016 is not applicable to the company.
- IV. The Company has not granted any loans or made any investments, or provided any guarantees or security to the parties covered under Section 185 and 186. Therefore, the provisions of Clause 3(iv) of the said Order are not applicable to the Company.
- V. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public. Consequently, no order has been passed by the Company Law Board or National Company Law Commission or Reserve Bank of India or any court or any other tribunal on the Company. The Clause 3(v), therefore is not applicable to the company.
- VI. The Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act, for any of the services rendered by the Company.
- VII. (a) According to the records of the Company and information and explanations given to us, the Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other applicable statutory dues with the appropriate authorities.
- (b) According to the information and explanations given to us and records of the Company examined by us, there are no dues of income tax, sales tax, wealth tax, service tax, duty of excise, duty of customs, value added tax, and cess which have not been deposited on account of any dispute.
- VIII. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank or Government or dues to debenture holders as at the balance sheet date.
- IX. In our opinion, and according to the information and explanations given to us, moneys raised term loans have been applied for the purposes for which they were obtained.
- X. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- XI. On the basis of examination of relevant records and according to the information and explanations given to us, the Company has paid or provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.
- XII. The Company is not a 'Nidhi Company'. Therefore, Clause 3(xii) of the Companies (Auditor's Report) Order, 2016 is not applicable to the Company.
- XIII. On the basis of examination of relevant records and according to the information and explanations given to us, all transactions with the related parties are in compliance with Sections 177 and 188 of Companies Act, 2013 where applicable. The Company has disclosed the details of transactions with related parties in the Financial Statements as required by the applicable accounting standards.
- XIV. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under audit; therefore, Clause 3(xiv) of the Companies (Auditor's Report) Order, 2016 is not applicable to the company.
- XV. On the basis of examination of relevant records and according to the information and explanations given to us, in our opinion, the Company has not entered into any non-cash transactions with directors or persons connected with them.
- XVI. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For **B. K. Khare & Co.**
Chartered Accountants
 Firm's Registration Number 105102W

H. P. Mahajani
Partner

Mumbai
 Date: 26th April, 2016

Membership Number 030168

ANNEXURE II TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF 2 X 2 LOGISTICS PRIVATE LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **2 X 2 LOGISTICS PRIVATE LIMITED** ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the period from April 1, 2015 to March 31, 2016.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that operate effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards of Auditing, issued by the Institute of Chartered Accountants of India ("ICAI") and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and, both issued by 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 over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for

our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by ICAI.

For **B. K. Khare & Co.**
Chartered Accountants
Firm's Registration Number 105102W

Mumbai
Date: 26th April, 2016

H. P. Mahajani
Partner
Membership Number 030168

BALANCE SHEET AS AT 31ST MARCH, 2016

	Note No.	As at 31 st March'16 (Rs. in Lakhs)	As at 31 st March'15 (Rs. in Lakhs)
I EQUITY AND LIABILITIES:			
(1) Shareholder's Fund			
(a) Share Capital.....	I	401.00	401.00
(b) Reserves and Surplus.....	II	3.36	10.01
(2) Non-Current Liabilities			
(a) Long Term Borrowings.....	III	2,010.88	10.84
(b) Deferred Tax Liabilities (Net).....		-	1.86
(3) Current Liabilities			
(a) Short Term Borrowings.....		-	-
(b) Trade Payables.....	IV	120.62	60.89
(c) Other Current Liabilities.....	V	463.31	5.65
(d) Short-Term Provisions.....	VI	5.04	3.89
Total		3,004.21	494.14
II ASSETS:			
(1) Non Current Assets			
(a) Fixed Assets.....	VII		
(i) Tangible Assets.....		2,330.76	54.41
(ii) Intangible Assets.....		0.17	0.34
(iii) Capital Work-in-Progress.....		241.34	-
(b) Non-Current Investment.....		-	-
(c) Deferred Tax Assets (Net).....		1.07	-
(d) Long Term Loans and Advances.....	VIII	72.10	19.12
(2) Current Assets			
(a) Trade Receivables.....	IX	132.25	54.34
(b) Cash and Cash Equivalents.....	X	61.19	361.45
(c) Short-Term loans and Advances.....	XI	161.00	3.10
(d) Other Current Assets.....	XII	4.33	1.38
Total		3,004.21	494.14
Summary of Significant Accounting Policies and notes to Financial statements	A & B		

"As per our Report of Even Date"

For B. K. Khare & Co.
Chartered Accountants
FRN: 105102W

For and on behalf of Board of Directors
2 X 2 Logistics Private Limited

H. P. Mahajani
Partner
M.No. 030168

Nikhil Nayak
Chairman

Nitin Singhal
Director

Sushil Rathi
Director

Place : Mumbai
Date : 26th April, 2016

Place : Mumbai
Date : 26th April, 2016

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31ST MARCH, 2016

	Note No.	2016 (Rs. in Lakhs)	2015 (Rs. in Lakhs)
I Revenue from Operation	XIII	1,590.99	132.85
II Other Income	XIV	8.89	12.96
III Total Revenue (I+II)		1,599.88	145.81
IV Expenses:			
Operating, Administrative & Other Exp.	XV	1,308.27	127.35
Employee Benefit Expenses	XVI	72.76	1.99
Finance Costs	XVII	72.57	0.44
Depreciation and Amortization	XVIII	155.86	2.56
Total Expenses		1,609.46	132.34
V Profit Before Exceptional And Extraordinary Items and Tax (III-IV)		(9.58)	13.47
VI Exceptional Items		-	-
VII Profit before Extraordinary Items and Tax (V-VI)		(9.58)	13.47
VIII Extraordinary Items		-	-
IX Profit Before Tax (VII-VIII)		(9.58)	13.47
X Tax Expenses			
(i) Current Tax		-	2.57
Less: MAT Credit		-	0.27
(ii) Net Current Tax		-	2.30
(iii) Deferred Tax		(2.93)	1.86
XI Profit/(Loss) for the period (IX-X)		(6.65)	9.31
XII Earning Per Equity Share (Basic/Diluted)(Rs.)			
Face Value Rs. 10/- per share		(0.17)	0.45

Summary of Significant Accounting Policies and notes to Financial statements**A & B**

"As per our Report of Even Date"

For B. K. Khare & Co.
Chartered Accountants
FRN: 105102W

For and on behalf of Board of Directors
2 X 2 Logistics Private Limited

H. P. Mahajani
Partner
M.No. 030168

Nikhil Nayak
Chairman

Nitin Singhal
Director

Sushil Rathi
Director

Place : Mumbai
Date : 26th April, 2016

Place : Mumbai
Date : 26th April, 2016

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

Particulars	(Rs. in Lakhs)			
	Current Year		Previous Year	
	Rs.	Rs.	Rs.	Rs.
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net profit/(Loss) before tax		(9.58)		13.47
ADJUSTMENTS FOR:				
Depreciation.....	155.86		2.56	
Finance charges.....	72.57		0.44	
Interest income	(8.13)		(12.96)	
		<u>220.30</u>		<u>(9.96)</u>
Operating Profit/(Loss) before working capital changes		210.72		3.51
ADJUSTMENTS FOR WORKING CAPITAL CHANGES:				
(Increase)/Decrease in Trade and Other Receivables	(208.32)		(55.59)	
Increase/(Decrease) in Trade Payables and Other Liabilities.....	63.59		60.18	
		<u>(144.73)</u>		<u>4.59</u>
Cash flow used in operations		65.99		8.10
Less: Taxes paid and refund (Income tax, Fringe Benefit Tax and Wealth Tax).....		(30.44)		(2.63)
Net cash flow from/(used in) operating activities		35.55		5.47
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of fixed assets (including Capital WIP and Capital Advances)...		(2,726.37)		(76.42)
Interest income		8.13		12.96
Net cash used in investing activities		(2,718.24)		(63.46)
C. CASH FLOW FROM FINANCING ACTIVITIES				
Issue of Share Capital		-		400.00
Proceeds from Borrowings (net of repayment).....		2,455.00		13.21
Interest paid		(72.57)		(0.44)
Net cash from financing activities		2,382.43		412.77
Net increase/(decrease) in cash and cash equivalents (A+B+C) ...		(300.26)		354.78
Cash and cash equivalents – Opening balance		361.45		6.67
Cash and cash equivalents – Closing balance		61.19		361.45
Net increase/(decrease) as disclosed above		(300.26)		354.78
Components of cash and cash equivalents				
Cash/Cheques on hand		5.92		-
With Banks – on Current account and Fixed Deposit		55.27		361.45
		<u>61.19</u>		<u>361.45</u>

Notes:

- The above Cash Flow Statement has been prepared under the Indirect method setout in Accounting Standard 3.
- Figures in bracket indicates cash outgo.

Accounting policies and notes forming part of the accounts are given in Notes

“As per our report of even date attached”

For B. K. Khare & Co.
Chartered Accountants
FRN: 105102W

For and on behalf of Board of Directors
2 X 2 Logistics Private Limited

H. P. Mahajani
Partner
M.No. 030168

Nikhil Nayak
Chairman

Nitin Singhal
Director

Sushil Rathi
Director

Place : Mumbai
Date : 26th April, 2016

Place : Mumbai
Date : 26th April, 2016

Note B: Notes to the Financial Statements**Note: I****Share Capital:****A) Details of Authorised, Issued, Subscribed and Paid up Share**

Particulars	As on 31 st March'16		As on 31 st March'15	
	Nos.	Rs. in Lakhs	Nos.	Rs. in Lakhs
Authorised:				
Equity Share of Rs. 10 each	75,00,000	750.00	75,00,000	750.00
Total.....	75,00,000	750.00	75,00,000	750.00
Issued, Subscribed and Paid up				
Equity Share of Rs. 10 each fully paid	40,10,000	401.00	40,10,000	401.00
Total.....	40,10,000	401.00	40,10,000	401.00

B) Reconciliation of number of Ordinary (Equity) Shares and amount outstanding

Particulars	As on 31 st March'16		As on 31 st March'15	
	Nos.	Rs. in Lakhs	Nos.	Rs. in Lakhs
Issued, Subscribed and Paid up				
Balance as at the beginning of the year	40,10,000	401.00	10,000	1.00
Add:- Issued during the year	-	-	40,00,000	400.00
Balance as at the end of the year	40,10,000	401.00	40,10,000	401.00

C) Shares held by Holding Company/Fellow Subsidiaries

Particulars	Shares held by	Numbers as at	
		31 st March'16	31 st March'15
Mahindra Logistics Limited	Holding Company	22,05,500	22,05,500

D) Shareholders holding more than 5% of Share Capital

Particulars	As on 31 st March'16		As on 31 st March'15	
	No of Shares Held	% of Holding	No of Shares Held	% of Holding
Mahindra Logistics Limited	22,05,500	55%	22,05,500	55%
Indian Vehicle Carriers Private Limited	18,04,500	45%	18,04,500	45%

E) Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the board of directors and approved by the shareholders in the annual general meeting is paid in Indian rupees. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

2016
(Rs. in Lakhs) 2015
(Rs. in Lakhs)

Note: II**Reserves and Surplus:****Surplus in Profit & Loss Statement**

Opening Balance	10.01	0.70
Add:- Profit for the Current Year	(6.65)	9.31
Total.....	3.36	10.01
	2016	2015
	(Rs. in Lakhs)	(Rs. in Lakhs)

Note: III**Long Term Borrowings:**

Secured Term Loan		
(a) from Banks	494.34	-
(Being Loan Secured by Hypothecation of Vehicle and to be paid in 57 equal monthly instalments at the interest rate of 9.5%)		
(b) from others	1,516.54	10.84
(Being Loan Secured by Hypothecation of Vehicle and to be paid in 57 equal monthly instalments at the interest rate ranging from 9.5% to 9.8%)		
Total.....	2,010.88	10.84
	2016	2015
	(Rs. in Lakhs)	(Rs. in Lakhs)

Note: IV**Trade Payables:**

(a) Total outstanding Dues of Micro and Small Enterprises (Note No. XX)	-	-
(b) Total outstanding Dues of creditors other than Micro and Small Enterprises	120.62	60.89
Total.....	120.62	60.89
	2016	2015
	(Rs. in Lakhs)	(Rs. in Lakhs)

Note: V**Other Current Liabilities:**

Current Maturities of Long term debt	457.32	2.37
Others	5.99	3.28
Total.....	463.31	5.65
	2016	2015
	(Rs. in Lakhs)	(Rs. in Lakhs)

Note: VI**Short Term Provisions:**

(a) Provision for Income Tax	2.95	2.95
(b) Provision for Employee benefits	1.23	-
(c) Others	0.86	0.94
Total.....	5.04	3.89

Note: VII**Fixed Assets:**

Description of Assets	(Rs. in Lakhs)				(Rs. in Lakhs)					
	As at 31 st March, 2015	Gross Block		As at 31 st March, 2016	As at 31 st March, 2015	Depreciation For the Year	Adjustments/ Deductions	As at 31 st March, 2016	Net Balance as at 31 st March, 2016	Net Balance as at 31 st March, 2015
(A) Tangible Assets										
Plant and Machinery	-	0.62	-	0.62	-	0.08	-	0.08	0.54	-
Furniture and Fittings	-	0.81	-	0.81	-	0.03	-	0.03	0.78	-
Vehicles	56.80	2,430.61	-	2,487.41	2.39	155.58	-	157.97	2,329.44	54.41
TOTAL (A)	56.80	2,432.04	-	2,488.84	2.39	155.69	-	158.08	2,330.76	54.41
Previous Year	-	56.80	-	56.80	-	2.39	-	2.39	54.41	-
(B) Intangible Assets										
Computer Software	0.51	-	-	0.51	0.17	0.17	-	0.34	0.17	0.34
TOTAL (B)	0.51	-	-	0.51	0.17	0.17	-	0.34	0.17	0.34
Previous Year	-	0.51	-	0.51	-	0.17	-	0.17	0.34	-
TOTAL (A+B)	57.31	2,432.04	-	2,489.35	2.56	155.86	-	158.42	2,330.93	54.75

	2016	2015
	(Rs. in Lakhs)	(Rs. in Lakhs)

	2016	2015
	(Rs. in Lakhs)	(Rs. in Lakhs)

Note: VIII**Long Term Loans and Advances:**

Unsecured, Considered Good

(i) Capital Advance	72.10	19.12
Total.....	72.10	19.12

	2016	2015
	(Rs. in Lakhs)	(Rs. in Lakhs)

Note: IX**Trade Receivables:**

Outstanding for more than six months from the date they are due for payment

Unsecured, Considered Good	-	-
Considered doubtful	-	-

Less: Provision for Doubtful Debts

Outstanding for less than six months from the date they are due for payment

Unsecured, Considered Good	132.25	54.34
Total.....	132.25	54.34

	2016	2015
	(Rs. in Lakhs)	(Rs. in Lakhs)

Note: X**Cash and Cash Equivalents:**

(a) Balance With Banks		
(i) With Current Accounts	55.27	21.45
(ii) With Fixed Deposit Accounts	-	340.00
(b) Cash on Hand	5.92	-
Total.....	61.19	361.45

Note: XI**Short Term Loans and Advances:**

Unsecured, Considered Good

(i) Advance Income Tax/TDS Receivable	33.26	2.83
(ii) MAT Credit entitlement	0.27	0.27
(iii) Advances to Vendors	13.01	-
(iv) Prepaid Expenses	1.11	-
(v) Others Loans and Advances – Trip Advance	113.35	-
Total.....	161.00	3.10

	2016	2015
	(Rs. in Lakhs)	(Rs. in Lakhs)

Note: XII**Other Current Assets:**

Other Current Assets

(a) Accrued Interest	-	1.38
(b) Consumables – Tyres	4.33	-
Total.....	4.33	1.38

	2016	2015
	(Rs. in Lakhs)	(Rs. in Lakhs)

Note: XIII**Sale of Services:**

Supply Chain Logistics	1,590.99	132.85
Total.....	1,590.99	132.85

Note: XIV**Other Income:**

Interest Income	8.13	12.96
Miscellaneous Income	0.76	-
Total.....	8.89	12.96

	2016 (Rs. in Lakhs)	2015 (Rs. in Lakhs)
Note: XV		
Operating, Administrative & Other Exp.:		
Freight & Other Related Expenses	651.09	123.76
Diesel Cost	278.25	-
Vehicle running exps	313.21	-
Rent including lease rentals	5.05	0.63
Insurance	0.20	-
Repairs & Maintenance – Vehicles	32.48	-
Legal & Professional Fees	13.74	0.94
Travelling Expenses	1.84	0.35
Audit Fee	0.63	0.56
Miscellaneous Expenses	11.78	1.11
Total.....	<u>1,308.27</u>	<u>127.35</u>

	2016 (Rs. in Lakhs)	2015 (Rs. in Lakhs)
Note: XVI		
Employee Benefit Expenses:		
Salaries, Wages, Bonus, etc.	70.95	1.99
Contribution to Provident and other funds	1.51	-
Staff Welfare	0.30	-
Total.....	<u>72.76</u>	<u>1.99</u>

	2016 (Rs. in Lakhs)	2015 (Rs. in Lakhs)
Note: XVII		
Finance Cost:		
Interest Expenses	72.57	0.44
Total.....	<u>72.57</u>	<u>0.44</u>

	2016 (Rs. in Lakhs)	2015 (Rs. in Lakhs)
Note: XVIII		
Depreciation and Amortization:		
Depreciation	155.69	2.39
Amortisation of Intangible assets	0.17	0.17
Total.....	<u>155.86</u>	<u>2.56</u>

Note A: Summary of Significant Accounting Policies**Corporate Information**

2 X 2 Logistics Private Limited is a deemed public limited company incorporated on 22nd October, 2012 under the Companies Act, 1956. The Company is engaged in providing logistics services to its Customers.

1. Basis for Preparation of Financial Statements:

The financial statements have been prepared in accordance with the Generally Accepted Accounting Principles (IGAAP) under the historical cost convention as a going concern and on accrual basis and in accordance with the provisions of the Companies Act, 2013 and the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended).

Assets and Liabilities are classified as Current or Non-current as per the provisions of Schedule III to the Companies Act, 2013 and Company's Normal Operating Cycle. Based on the nature of business, the Company has ascertained its operating cycle as 12 months for the classification of assets and liabilities.

The Financial Statements are presented in Indian Rupees denominated in Lakhs.

2. Use of Estimates:

The preparation of financial statements requires the management to make estimates and assumptions considered in the reported amount of assets and liabilities (including Contingent liabilities) as on the date of

financial statements and the reported income and expenses during the reporting period. Management believes that the estimates used in the preparation of the financial statement are prudent and reasonable. Any revision to accounting estimates is recognized prospectively in current and future periods.

3. Fixed Assets:

- All Fixed Assets are carried at their cost of acquisition less accumulated depreciation and impairment losses. Cost of acquisition is inclusive of purchase price, levies and any directly attributable cost of bringing the assets to its working condition for the intended use.
- When an asset is scrapped or otherwise disposed-off, the cost and related depreciation are removed from books of accounts and resultant profit/loss, if any, is reflected in the Statement of Profit and Loss.
- All Intangible Assets are initially measured at cost/fair value and amortised so as to reflect the pattern in which the asset's economic benefits are consumed. Intangible assets are stated at cost less accumulated amortization and impairment loss, if any.

4. Depreciation and Amortisation:

Depreciation on tangible assets is charged on Straight Line Method (SLM) in accordance with the useful lives specified Part – C of Schedule II to the Companies Act, 2013 on a pro-rata basis except for following assets in order to reflect the actual usage of the assets:

- Horse portion of a Vehicle is depreciated over five years based on the management experience of handling similar kind of asset.

Software expenditure incurred is amortised over three financial years equally commencing from the year in which the expenditure is incurred.

5. Revenue Recognition:

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Income from logistics services rendered are recognised on the completion of the services as per the terms of contract. Interest Income is accounted on accrual basis at the contracted rate.

6. Investments:

All long-term investments are valued at cost. However provision for diminution in value is made to recognise a decline other than temporary in the value of investments. Current investments are valued at the lower of cost and fair value, determined by category of investment.

7. Borrowing Cost:

Borrowing Cost that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use or sale. All other borrowing costs are charged to revenue in the year of incurrence.

8. Segment Reporting:

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. On the applicability of segment reporting, revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment. Revenues and expenses, which relate to the enterprise as a whole and are not allocable to segments on a reasonable basis, have been included under "Unallocated Corporate Expenses".

9. Operating Leases:

The Company's significant operating leasing arrangements are in respect of office premises, warehouse and IT related equipments. Lease rentals are recognised as per the terms of lease.

10. Earnings Per Share:

Basic and diluted earnings per share is computed by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of Equity Shares outstanding during the year.

11. Income Tax:

Income taxes are accounted for in accordance with the Accounting Standard 22 on "Accounting for Taxes on Income". Taxes comprises of Current tax and deferred tax.

Current tax is determined as the amount of tax payable in respect of taxable income for the year using the applicable tax rates and tax laws.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay income tax as per normal provision. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefits associated with it will flow to the Company.

Deferred tax assets and liabilities are recognized for future tax consequences attributable to the timing differences between taxable income and accounting income that are capable of reversal in one or more subsequent periods and are measured using the tax rates enacted or substantively enacted as at the Balance Sheet date. Deferred Tax assets are not recognised unless in the management judgment, there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized except in case of deferred tax assets arising from brought forward tax losses wherein deferred tax assets is only recognized when the virtual certainty is established. Deferred tax assets are reviewed for the appropriateness of their respective carrying values at each balance sheet date.

12. Impairment of Assets:

The Management of the Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the management estimates the recoverable amount of the asset. If such recoverable amount of the asset is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and recognised in the Statement of Profit and Loss. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

13. Provisions, Contingent Liabilities and Contingent Assets:

Provisions are recognised when there is a present obligation as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation.

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

Contingent assets are neither recognised nor disclosed in the financial statements.

Note B: Notes to the financial statements

XIX. Loan liabilities:

Vehicle loan has been taken at the rate of interest ranging from 9.5% p.a. to 9.8 % p.a. The Loan has been secured by way of hypothecation of the related vehicle.

XX. Based on the information available with the Company, no trade payables have been registered as 'supplier' within the meaning of 'Micro Small & Medium Enterprises Development Act, 2006' as on March 31, 2016.

XXI. The Company has single reportable segment "Supply chain management" for the purpose of Accounting Standard 17 on Segment reporting.

XXII. Trade Receivables, Loans and Advances and Trade Payables are subject to confirmation and Reconciliations.

XXIII. Audit fees includes:

	(Rs. in lakhs)	
Particulars	*2016	*2015
Statutory Audit Fees	0.40	0.39
Tax Audit Fees	0.23	0.17
Fees for Other services	0.06	-
Total	0.69	0.56

* Including Service Tax

XXIV. Related party disclosure as per Accounting Standard:

(a) List of Related parties:

Holding Company	Mahindra & Mahindra Limited (Holding company of MLL)
	Mahindra Logistics Limited
Fellow Subsidiary	Mahindra & Mahindra Financial Services Limited.
Enterprise having significant influence.	Indian Vehicle Carriers Private Limited

(b) The related party transactions are as under:

(Rs. in Lakhs)				
Sr. No.	Nature of Transactions	Holding Company	Fellow Subsidiary	Enterprise having significant influence
1.	Finance:			
	Issue of Equity Share Capital during the year.	-	-	-
		(220.00)	(-)	(180.00)
	Inter-corporate Deposits Taken	-	-	-
		(8.00)	(-)	(-)
	Inter-corporate Deposits repaid	-	-	-
		(8.00)	(-)	(-)
	Interest Expenses on Inter-corporate deposit taken	-	-	-
		(0.20)	(-)	(-)
	Vehicle Loan taken	-	1952.94	-
		(-)	(13.58)	(-)
	Vehicle Loan repaid	-	101.00	-
		(-)	(0.37)	(-)
	Interest on Vehicle Loan paid	-	62.08	-
		(-)	(0.24)	(-)
2.	Purchases:			
	Tangible Assets/Intangible Assets	691.11	-	-
		(28.60)	(-)	(-)
	Services	0.60	-	633.11
		(1.11)	(-)	(112.21)
3.	Sales:			
	Tangible Assets	-	-	-
		(-)	(-)	(-)
	Services	1311.95	-	154.23
		(131.41)	(-)	(-)
4.	Deputation of Personnel:			
	To Related Parties	-	-	-
		(-)	(-)	(-)
5.	Other Transactions:			
	Reimbursements made to Parties	8.46	-	34.64
		(1.56)	(-)	(11.39)
	Reimbursements received from Parties	-	-	-
		(5.61)	(-)	(4.59)
6.	Outstanding:			
	Payable	2.61	-	73.03
		(-)	(-)	(55.69)
	Receivable	100.03	-	7.37
		(53.61)	(-)	(-)
7.	Managerial Remuneration	-	-	-
		(-)	(-)	(-)

Previous year's figures are given in brackets.

XXV. Earnings Per Share:

Particulars		Year Ended	Year Ended
		31 st March 2016	31 st March 2015
Net Profit/(Loss) after Tax (A)	Rs. in Lakhs	(6.65)	9.31
Weighted Average No of Shares (B)	No. in Lakhs	40.10	20.59
Earnings Per Share (Basic/Diluted) (A/B)	Rs.	(0.17)	0.45
Nominal value of equity share	Rs.	10.00	10.00

XXVI. Lease payments from operating lease is recognised on a straight line basis over the period of the lease. The particulars of the premises given under operating leases are as under:

(Rs. in Lakhs)

Particulars	31 st March 2016	31 st March 2015
	Amount	Amount
Future minimum Lease payments		
– not later than one year	8.32	Nil
– later than one year and not later than 5 years	13.99	Nil
– later than 5 years	Nil	Nil

For **B. K. Khare & Co.**
Chartered Accountants
FRN: 105102W

H. P. Mahajani
Partner
M.No. 030168

Place : Mumbai
Date : 26th April, 2016

XXVII. The components of Net Deferred Tax Assets as at the year-end are as under:

(Rs. in Lakhs)

Particulars	31 st March 2016	31 st March 2015
	Amount	Amount
Deferred Tax Assets		
On Income Tax Loss (A)	117.21	–
Deferred Tax Liabilities		
On Depreciation (B)	114.28	1.86
Net Deferred Tax Assets (A-B)	2.93	(1.86)

XXVIII. The estimated amount of contracts remaining to be executed on capital account and not provided for as at 31st March 2016 is Rs. 70 Lakhs (2015: Rs. 1757.00 Lakhs).

XXIX. Previous Years figures have been regrouped/reclassified wherever necessary.

For and on behalf of Board of Directors
2 X 2 Logistics Private Limited

Nikhil Nayak
Chairman

Nitin Singhal
Director

Sushil Rathi
Director

Place : Mumbai
Date : 26th April, 2016