

INDEPENDENT AUDITORS' REVIEW REPORT

TO THE BOARD OF DIRECTORS OF DRIVE INDIA ENTERPRISE SOLUTIONS LIMITED ON LIMITED REVIEW OF UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

Introduction

1. We have reviewed the accompanying Unaudited Condensed Balance Sheet of **Drive India Enterprise Solutions Limited** ("the Company") as at 31 August, 2015, and the related Unaudited Condensed Statement of Profit and Loss and Unaudited Condensed Cash Flow Statement for the five months period then ended and selected explanatory notes (together comprising the "Unaudited Condensed Interim Financial Statements"). Management is responsible for the preparation and fair presentation of these Unaudited Condensed Interim Financial Statements in accordance with Accounting Standard (AS-25) on Interim Financial Reporting as prescribed under Section 133 of the Companies Act 2013 read with Rule 7 of the Companies (Accounts) Rules 2014 and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on these Unaudited Condensed Interim Financial Statements based on our review.

Scope of review

2. We conducted our review of the Unaudited Condensed Interim Financial Statements in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis of Qualified Conclusion

3. We draw attention to Note 31 to the Unaudited Condensed Interim Financial Statements regarding comparative figures for five months ended 31st August, 2015 for the Statement of Profit and Loss and the Cash Flow Statement have not been furnished which is not in accordance with the requirement of Accounting Standard (AS-25) on Interim Financial Reporting.

Conclusion

4. Based on our review conducted as stated above, with the exception of the matter described in Para 3 above, nothing has come to our attention that causes us to believe that the accompanying Unaudited Condensed Interim Financial Statements are not prepared, in all material respects, in accordance with Accounting Standard 25 (Interim Financial Reporting), as prescribed under Section 133 of the Companies Act 2013 read with Rule 7 of the Companies (Accounts) Rules 2014 and other accounting principles generally accepted in India.

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Registration No. 117366W/W-100018)



Rupen Bhatt
Partner
Membership No. 046930

Place: Mumbai
Date: 24 November, 2015




DRIVE INDIA ENTERPRISE SOLUTIONS LIMITED

Unaudited Condensed Balance Sheet as at 31 August, 2015

Particulars	Note No.	As at 31 August, 2015	As at 31 March, 2015
		Rupees in Lacs	Rupees in Lacs
A EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	3	522.04	512.04
(b) Reserves and surplus	4	(2,978.97)	1,836.75
		(2,456.93)	2,348.79
2 Non-current liabilities			
Long-term provisions	5	150.60	148.09
3 Current liabilities			
(a) Short-term borrowings	6	18,745.74	19,352.79
(b) Trade payables -	7		
(i) Total outstanding dues of micro and small enterprise		43.28	61.61
(ii) Total outstanding dues of creditors other than micro and small enterprise		13,382.82	11,719.39
(c) Other current liabilities	8	2,217.05	3,085.82
(d) Short-term provisions	9	108.93	107.46
		34,497.82	34,327.07
Total		32,191.49	36,823.95
B ASSETS			
1 Non-current assets			
(a) Fixed assets	10		
(i) Tangible assets		5,970.36	6,033.38
(ii) Intangible assets		339.01	406.00
		6,309.37	6,439.38
(b) Deferred tax assets (net)	11	-	-
(c) Long-term loans and advances	12	5,533.19	5,280.17
(d) Other non-current assets	13	3.58	2,063.55
		11,846.14	13,783.10
2 Current assets			
(a) Inventories	14	4,368.15	4,356.17
(b) Trade receivables	15	12,651.99	17,003.87
(c) Cash and cash equivalents	16	208.79	267.78
(d) Short-term loans and advances	17	1,585.86	1,238.84
(e) Other current assets	18	1,530.56	174.19
		20,345.35	23,040.85
Total		32,191.49	36,823.95

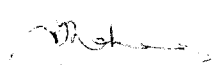
See accompanying notes forming part of the financial statements

In terms of our report attached.
For Deloitte Haskins & Sells LLP
Chartered Accountants

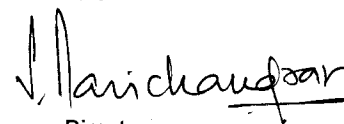


Rupen K. Bhatt
Partner

For and on behalf of the Board of Directors



Director

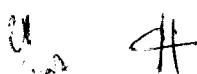


Director



Company Secretary

Place : Mumbai
Date : 24 November, 2015



DRIVE INDIA ENTERPRISE SOLUTIONS LIMITED

Unaudited Condensed Statement of Profit and Loss for the five months ended 31 August, 2015

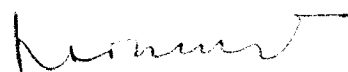
Particulars	Note No.	For the five months ended 31 August, 2015
		Rupees in Lacs
I Income		
Revenue from operations	19	26,295.86
Other income	20	241.64
Total Revenue		26,537.50
II Expenses		
(a) Purchases of stock-in-trade	21	11,682.64
(b) Changes in inventories of stock-in-trade	22	(11.98)
(c) Employee benefits expense	23	1,045.68
(d) Finance costs	24	807.81
(e) Depreciation and amortization expense	10	564.23
(f) Other expenses	25	13,893.38
Total Expenses		27,981.76
III (Loss) before exceptional items & tax		(1,444.26)
IV Exceptional items	29	(3,371.46)
V (Loss) before tax		(4,815.72)
VI Tax expense:		
(a) Current tax expense		-
(b) Deferred tax		-
Total Tax expense		-
VII (Loss) for the period		(4,815.72)
VIII Earnings per share (Face value of Rs. 10/- each):	27	
Basic & Diluted		(94.05)

See accompanying notes forming part of the financial statements

In terms of our report attached.

For Deloitte Haskins & Sells LLP

Chartered Accountants




Rupen K. Bhatt
Partner

For and on behalf of the Board of Directors



Director

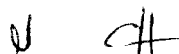
Director



Company Secretary

Place : Mumbai

Date : 24 November, 2015



Unaudited Condensed Cash Flow Statement for five months ended 31 August, 2015

	For the five months ended 31 August, 2015 Rupees in Lacs
Net cash flow from operating activities	1,503.95
Net cash (used in) investing activities	(567.13)
Net cash (used in) financing activities	(1,066.44)
Net (decrease) in cash and cash equivalents	<u>(129.62)</u>
Cash and cash equivalents at the beginning of the financial year (Refer Note 16)	194.35
Cash and cash equivalents at the end of the period (Refer Note 16)	64.73
Net (decrease) in cash and cash equivalents	<u>(129.62)</u>

Notes:

(i) Cash flow statement has been prepared under the indirect method as set out in Accounting Standard - 3 "Cash Flow Statements".

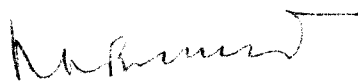
(ii) Figures in bracket denote outflow of cash.

See accompanying notes forming part of the financial statements

In terms of our report attached.

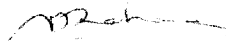
For Deloitte Haskins & Sells LLP

Chartered Accountants



Rupen K. Bhatt
Partner

For and on behalf of the Board of Directors



Director



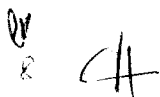
Director



Company Secretary

Place : Mumbai

Date : 24 November, 2015



DRIVE INDIA ENTERPRISE SOLUTIONS LIMITED

Notes forming part of the Unaudited Condensed Financial Statements

Note 1: Corporate Information

Drive India Enterprise Solutions Limited ("the company") incorporated on 27 April, 2000 is part of the TATA Group as a joint venture arrangement between Tata Industries Limited and Tata International Limited. The operations of the Company have evolved from Import and Distribution of Handsets and other equipments to providing Warehousing and Distribution (Logistics) Solutions. It caters to industries such as Telecommunication, Consumer Durables, Fast Moving Consumer Goods, Retail, Direct To Home, Project Logistics, Automobile etc.

Pursuant to and as per the terms of the Share Purchase Agreement executed amongst Tata Industries Limited, Tata International Limited and TVS Logistics Services Limited (TVSLSL), all the equity shares held by Tata Industries Limited with its nominees and Tata International Limited and its subsidiaries are transferred in the name of TVSLSL. Consequently the Company has become a wholly owned subsidiary of TVSLSL as on 1 September, 2015.

Note 2: Basis of Condensed Financial Statements and Significant Accounting Policies

(a) These condensed financial statements should be read in conjunction with the audited financial statements of Drive India Enterprise Solutions Limited ("the Company") for the year ended March 31, 2015.

(b) Basis of preparation

In terms of Share Purchase Agreement (Clause 1.1.20) the interim accounts need to be drawn up as on closing date i.e. 31 August, 2015. Consequently, the interim accounts has been prepared for the period 1 April, 2015 to 31 August, 2015. There is no comparative figures for the Statement of Profit and Loss and Cash Flow Statement. These condensed financial statements have been prepared in accordance with the requirements of Accounting Standard 25 (AS 25) 'Interim Financial Reporting'. In the opinion of the management, all adjustments which are necessary for a fair presentation have been included. AS 25 requires the presentation of selected explanatory notes in the condensed financial statements and does not require the disclosures as required by other Accounting Standards presented in a complete set of financial statements. The results of interim periods are not necessarily indicative of the results that may be expected for any other interim period or for the full year.

(c) Use of Estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the period. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognized in the periods in which the results are known / materialise.

(d) Employee Benefits

The Company's liability towards gratuity and compensated absences for the interim financial statements is provided proportionately on the basis of last actuarial valuation appropriately adjusted for changes in manpower and conditions thereof.

(e) Taxes on Income

Income tax expense for the interim period is recognized based on the best estimate of the weighted average annual Income-tax rate expected for the full financial year.

DRIVE INDIA ENTERPRISE SOLUTIONS LIMITED

Notes forming part of the Unaudited Condensed Financial Statements

Note 3 Share capital :

Particulars	As at 31 August, 2015		As at 31 March, 2015	
	Number of shares	Rupees in Lacs	Number of shares	Rupees in Lacs
(a) Authorized				
Equity shares of Rs. 10/- each	49,500,000	4,950.00	50,000,000	5,000.00
Cumulative Redeemable Non Convertible Participating Preference Shares of Re. 1/- each (Refer Note below)	5,000,000	50.00	-	-

Note :

Pursuant to the resolution passed by the Members in the Extra Ordinary General Meeting held on 8 May, 2015 and the subsequent alteration in the Memorandum of Articles, the Authorised Share Capital of the Company has been split into 495,00,000 equity shares of Rs 10/- each and 50,00,000 Cumulative Redeemable Non Convertible Participating Preference Shares of Re.1/- each ("Preference Shares")

(b) Issued, Subscribed and Fully paid up Shares

Equity shares of Rs. 10/- each	5,120,400	512.04	5,120,400	512.04
Cumulative Redeemable Non Convertible Participating Preference Shares of Re. 1/- each (" Preference Shares")	1,000,000	10.00	-	-
	6,120,400	522.04	5,120,400	512.04

Refer Notes (i) to (v) below:

(i) Reconciliation of the number of shares outstanding at the beginning and at the end of the period / year:

Particulars	As at 31 August, 2015		As at 31 March, 2015	
	Nos.	Rupees in Lacs	Nos.	Rupees in Lacs
Equity Shares				
At the beginning of the period / year	5,120,400	512.04	5,120,400	512.04
Outstanding at the end of the period / year (A)	5,120,400	512.04	5,120,400	512.04
Cumulative Redeemable Non Convertible Participating Preference Shares				
At the beginning of the period / year	-	-	-	-
Issued during the period	1,000,000	10.00	-	-
Outstanding at the end of the period / year (B)	1,000,000	10.00	-	-
Share Capital outstanding at the end of the period / year (A) + (B)	6,120,400	522.04	5,120,400.00	512.04

(ii) Terms/rights attached to :

Equity Shares

- Right to receive dividend as may be approved by the Board of Directors / Annual General Meeting.
- The Equity Shares are not repayable except in the case of a buyback, reduction of capital or winding up in terms of the provisions of the Companies Act, 2013.
- Every member of the Company holding equity shares has a right to attend the General Meeting of the Company and has a right to speak and on a show of hands, has one vote if he is present in person and on a poll shall have the right to vote in proportion to his share in the paid-up capital of the Company.

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DRIVE INDIA ENTERPRISE SOLUTIONS LIMITED

Notes forming part of the Unaudited Condensed Financial Statements

Cumulative Redeemable Non-Convertible Participating Preference shares:

- a) Following are the rights, benefits and terms and conditions attached to preference shares as set out in the Share Subscription Agreement (SSA) dated 19 May 2015 entered into between the Company and Tata Industries Limited and Tata International Limited.
- b) The Preference Shares carry a fixed rate of preferential dividend at the rate of 0.0001% per annum on the face value of the Preference Shares. In addition to the fixed rate of dividend, the Preference Shareholders shall, at their discretion, be entitled to additional preferential dividend as set out in the Share Subscription Agreement and carry a preferential right to dividends over the Equity Shares according to the provisions of Section 43 (b) of the Companies Act, 2013.
- c) The Preference Shares carry voting rights in accordance with Section 47 (2) of Companies Act, 2013.
- d) The Preference Shares shall be redeemed, from time to time as may be required by the preference shareholders at face value plus the redemption premium payable thereon in accordance with the terms and conditions set out in Shares Subscription Agreement (SSA) not later than 20 years from the date of allotment viz. 19 May, 2015 or longer period as may be prescribed by law.

(iii) Details of shares held by the Holding / Ultimate Holding Company and / or their Subsidiaries / Associates: (Refer Note (vi) below)

	As at 31 August, 2015	As at 31 March, 2015
	Nos.	Nos.
Tata Sons Limited, the Ultimate Holding Company		
Equity shares of Rs. 10 each fully paid	-	-
Subsidiaries of the Ultimate Holding Company:		
- Tata International Limited and its subsidiary		
Equity shares of Rs. 10 each fully paid	2,560,206	2,560,206
Cumulative Redeemable Non-Convertible Participating Preference shares of Rs 1/- each	500,001	-
- Tata Industries Limited and its nominees		
Equity shares of Rs. 10 each fully paid	2,560,194	2,560,194
Cumulative Redeemable Non-Convertible Participating Preference shares of Rs 1/- each	499,999	-

(iv) List of shareholders who hold more than 5% of equity shares in the Company: (Refer Note (vi) below)

	As at 31 August, 2015		As at 31 March, 2015	
	No. of shares held	% holding in that class	No. of shares held	% holding in that class
Equity shares of Rs. 10 each fully paid				
Tata International Limited and its subsidiary	2,560,206	50.01%	2,560,206	50.01%
Tata Industries Limited and its Nominees	2,560,194	49.99%	2,560,194	49.99%
Cumulative Redeemable Non-Convertible Participating Preference shares of Rs 1/- each				
Tata International Limited and its subsidiary	500,001	50.00%	-	-
Tata Industries Limited and its Nominees	499,999	50.00%	-	-

(v) Particulars of movements in equity shares for the period of five years immediately preceding the Balance Sheet date as per General Instruction 6 A (i) :

42,67,000 equity shares were allotted as fully paid up by way of bonus shares in the Financial year ended 31 March, 2012.

(vi) Pursuant to and as per the terms and conditions of the Share Purchase Agreement executed amongst Tata Industries Limited, Tata International Limited and TVS Logistics Services Limited (TVSLSL), all the equity shares held by Tata Industries Limited with its nominees and Tata International Limited and its subsidiaries are transferred in the name of TVSLSL. Consequently the Company has become a wholly owned subsidiary of TVSLSL as on 1 September, 2015.

DRIVE INDIA ENTERPRISE SOLUTIONS LIMITED

Notes forming part of the Unaudited Condensed Financial Statements

Particulars	As at 31 August, 2015	As at 31 March, 2015
	Rupees in Lacs	Rupees in Lacs
Note 4 Reserves and surplus :		
(a) General reserve		
Opening balance	2.49	2.49
Closing balance	<u>2.49</u>	<u>2.49</u>
(b) (Debit balance) / Surplus in Statement of Profit and Loss		
Opening balance	1,834.26	1,626.85
Add: (Loss) / Profit for the period / year	<u>(4,815.72)</u>	<u>207.41</u>
Closing balance	<u>(2,981.46)</u>	<u>1,834.26</u>
Total	<u><u>(2,978.97)</u></u>	<u><u>1,836.75</u></u>
Note 5 Long-term provisions :		
Provision for employee benefits:		
- Provision for compensated absences	150.60	148.09
Total	<u><u>150.60</u></u>	<u><u>148.09</u></u>
Note 6 Short-term borrowings - Secured :		
<u>Buyer's Credit</u>		
From Banks-	8,521.11	9,989.78
<u>Cash Credit</u>		
From Banks-	10,224.63	9,363.01
Total	<u><u>18,745.74</u></u>	<u><u>19,352.79</u></u>

The Company's credit facilities with Banks are secured by first pari passu charge on the Current Assets of the Company both present and future.

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DRIVE INDIA ENTERPRISE SOLUTIONS LIMITED

Notes forming part of the Unaudited Condensed Financial Statements

Particulars	As at 31 August, 2015 Rupees in Lacs	<i>As at 31 March, 2015 Rupees in Lacs</i>
Note 7 Trade payables :		
Trade payables:		
Total outstanding dues of micro and small enterprise	43.28	61.61
Total outstanding dues of creditors other than micro and small enterprise	13,382.82	11,719.39
Total	<u><u>13,426.10</u></u>	<u><u>11,781.00</u></u>
 Note 8 Other current liabilities :		
Interest accrued but not due on borrowings	5.25	9.34
Other Payables		
- Statutory liabilities	454.57	300.13
- Payable on purchase of fixed assets	92.05	179.62
- Advances from customers	1,280.44	2,032.99
- Trade / security deposits	21.17	21.17
- Contractually reimbursable expenses	349.99	531.89
- Provision for gratuity	13.58	10.68
Total	<u><u>2,217.05</u></u>	<u><u>3,085.82</u></u>
 Note 9 Short-term provisions :		
(i) Provision for compensated absences	31.72	30.25
(ii) Provision for taxation [Net of advance tax of Rs. 1,515.48 Lacs (31 March, 2015 Rs. 1,515.48 Lacs)]	77.21	77.21
Total	<u><u>108.93</u></u>	<u><u>107.46</u></u>

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DRIVE INDIA ENTERPRISE SOLUTIONS LIMITED

Notes forming part of the Unaudited Condensed Financial Statements

Note 10 Fixed Assets :

(i) Tangible Assets

Description	Gross Block (At Cost)				Depreciation / Amortization				Net Block	
	As at 1 April, 2015	Additions during the period / year	Deletions during the period / year	As at 31 August, 2015	As at 1 April, 2015	For the period / year	On Deletions during the period / year	Adjustment Increase/ (Decrease) during the period / year	As at 31 August, 2015	As at 31 March, 2015
Buildings	2,857.00 (2,857.00)	-	-	2,857.00 (2,857.00)	281.69 (655.70)	18.86 (45.11)	-	-	300.55 (281.69)	2,556.45 (2,575.31)
Computers	1,575.87 (1,512.80)	30.52 (118.44)	0.29 (55.37)	1,606.10 (1,575.87)	1,171.74 (1,221.67)	285.51 (329.39)	0.28 (52.77)	-	1,456.97 (1,171.74)	149.13 (404.13)
Office Equipment	404.23 (395.74)	29.75 (10.45)	-	433.98 (404.23)	320.26 (224.62)	36.43 (202.51)	-	-	356.69 (320.26)	77.29 (83.97)
Furniture and Fixtures	586.18 (434.86)	191.46 (153.36)	-	777.64 (586.18)	187.81 (234.69)	39.18 (66.82)	-	-	226.99 (187.81)	550.65 (398.37)
Plant & Machinery	3,040.42 (2,636.90)	164.32 (424.86)	-	3,204.74 (3,040.42)	478.42 (1,052.53)	98.14 (186.23)	-	-	576.56 (478.42)	2,628.18 (2,562.00)
Vehicles	16.74 (16.74)	-	-	16.74 (16.74)	7.14 (10.08)	0.94 (2.24)	-	-	8.08 (7.14)	8.66 (9.60)
Total	8,480.44 (7,854.04)	416.05 (707.11)	0.29 (80.71)	8,896.20 (8,480.44)	2,447.06 (3,399.29)	479.06 (832.30)	0.28 (57.92)	- (1,726.61)	2,925.84 (2,447.06)	5,970.36 (6,033.38)
(ii) Intangible Assets - Others										
Software	1,849.63 (1,668.73)	18.18 (180.90)	-	1,867.81 (1,849.63)	1,443.63 (1,104.03)	85.17 (339.60)	-	-	1,528.80 (1,443.63)	339.01 (406.00)
Total	1,849.63 (1,668.73)	18.18 (180.90)	-	1,867.81 (1,849.63)	1,443.63 (1,104.03)	85.17 (339.60)	-	-	1,528.80 (1,443.63)	339.01 (406.00)
Total	10,330.07 (9,522.77)	434.23 (886.01)	0.29 (80.71)	10,764.01 (10,330.07)	3,890.69 (4,503.32)	564.23 (1,171.90)	0.28 (57.92)	- (1,726.61)	4,454.64 (3,890.69)	6,309.37 (6,439.38)

(Figures in brackets represent those of the previous financial year)

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DRIVE INDIA ENTERPRISE SOLUTIONS LIMITED

Notes forming part of the Unaudited Condensed Financial Statements

Note 11 Deferred tax asset :

	As at 31 August, 2015	As at 31 March, 2015
	Rupees in Lacs	Rupees in Lacs
Deferred tax liabilities		
- Depreciation	610.30	684.17
	<u>610.30</u>	<u>684.17</u>
Deferred tax assets		
- Employee benefits	64.11	61.33
- Provision for doubtful debts & advances	871.47	435.12
- Unabsorbed depreciation	857.63	1,077.21
	<u>1,793.21</u>	<u>1,573.66</u>
Net deferred tax assets	<u>1,182.91</u>	<u>889.49</u>
Net deferred tax assets in balance sheet	<u>-</u>	<u>-</u>

Note:

As on the balance sheet date, there is a net deferred tax asset amounting to **Rs. 1,182.91 Lacs** (31 March, 2015 : Rs. 889.49 Lacs) which has not been recognized as there is no certainty that sufficient future taxable income will be available against which such deferred tax asset can be realized.

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DRIVE INDIA ENTERPRISE SOLUTIONS LIMITED

Notes forming part of the Unaudited Condensed Financial Statements

Particulars	As at 31 August, 2015 Rupees in Lacs	As at 31 March, 2015 Rupees in Lacs
Note 12 Long-term loans and advances :		
(Unsecured, considered good, unless otherwise stated)		
(a) Capital advances	-	32.99
(b) Security deposits		
Considered good	1,686.23	1,629.71
(c) Prepaid expenses	0.70	1.14
(d) Advance income tax [Net of Provisions of Rs. 941.20 Lacs (31 March, 2015 Rs. 941.20 Lacs)]	3,564.62	3,336.47
(e) Balances with government authorities		
- VAT credit receivable	281.64	279.86
Total	<u><u>5,533.19</u></u>	<u><u>5,280.17</u></u>

Note 13 Other non-current assets :

(Unsecured, considered good, unless otherwise stated)

(a) Margin deposits with bank	1.99	11.99
(b) Accrued Interest on margin deposit	1.59	9.67
(c) Customs duty claim - Unsecured considered doubtful	221.08	221.08
Less : Provision for doubtful customs duty	221.08	221.08
	<u>-</u>	<u>-</u>
(d) Other amounts recoverable (Unsecured) [Refer Note 29]		
Good	-	2,041.89
Doubtful	4,417.56	2,400.00
	<u>4,417.56</u>	<u>4,441.89</u>
Less : Provision for doubtful amounts recoverable	4,417.56	2,400.00
	<u>-</u>	<u>2,041.89</u>
Total	<u><u>3.58</u></u>	<u><u>2,063.55</u></u>

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DRIVE INDIA ENTERPRISE SOLUTIONS LIMITED


Notes forming part of the Unaudited Condensed Financial Statements

Particulars	As at 31 August, 2015 Rupees in Lacs	<i>As at 31 March, 2015 Rupees in Lacs</i>
Note 14 Inventories :		
(At lower of cost and net realizable value)		
Stock-in-trade	4,368.15	4,356.17
(includes Goods in Transit Rs. NIL 31 March, 2015 : Rs. 131.04 Lacs)		
Total	<u><u>4,368.15</u></u>	<u><u>4,356.17</u></u>
Note 15 Trade receivables :		
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Unsecured, considered good	2,526.95	4,500.78
Doubtful	2,406.50	1,111.60
	<u>4,933.45</u>	<u>5,612.38</u>
Less: Provision for doubtful trade receivables	2,406.50	1,111.60
	<u>2,526.95</u>	<u>4,500.78</u>
Other receivables		
Unsecured, considered good	10,125.04	12,503.09
Total	<u><u>12,651.99</u></u>	<u><u>17,003.87</u></u>
Note 16 Cash and cash equivalents :		
(a) Cheques, drafts on hand	-	32.33
(b) Balances with banks		
- In current accounts	64.73	162.02
Total cash and cash equivalents (As per AS-3 "Cash Flow Statements") (A)	<u>64.73</u>	<u>194.35</u>
(c) Other bank balances		
- In earmarked accounts		
- Balances held as margin money or security against borrowings, guarantees and other commitments (Refer Note below)	144.06	73.43
(B)		
Total (A)+(B)	<u><u>208.79</u></u>	<u><u>267.78</u></u>

Note:

Margin monies included in Balances with banks which have an original maturity of more than 12 months.	78.43	68.43
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DRIVE INDIA ENTERPRISE SOLUTIONS LIMITED

Notes forming part of the Unaudited Condensed Financial Statements

Particulars	As at 31 August, 2015	<i>As at 31 March, 2015</i>
	Rupees in Lacs	<i>Rupees in Lacs</i>
Note 17 Short-term loans and advances :		
(Unsecured, considered good, unless otherwise stated)		
(a) Security Deposits		
Unsecured, considered good	701.89	655.82
Doubtful	37.43	35.88
	<u>739.32</u>	<u>691.70</u>
Less: Provision for doubtful deposits	37.43	35.88
	<u>701.89</u>	<u>655.82</u>
(b) Loans and advances to employees		
Unsecured, considered good	13.98	2.68
(c) Prepaid expenses - Unsecured, considered good		
	268.54	201.90
(d) Balances with government authorities		
Unsecured, considered good		
(i) VAT credit receivable	97.16	98.69
(ii) Service Tax credit receivable	33.60	31.04
(e) Advance to vendors		
Unsecured, considered good	470.69	248.71
Doubtful	193.43	193.43
	<u>664.12</u>	<u>442.14</u>
Less: Provision for advance given to vendors considered doubtful	193.43	193.43
	<u>470.69</u>	<u>248.71</u>
Total	<u><u>1,585.86</u></u>	<u><u>1,238.84</u></u>

Note 18 Other current assets :

(Unsecured, Considered Good, unless otherwise stated)

(a) Unbilled revenue	1,092.84	-
(b) Accruals		
Interest accrued but not due on deposits	22.21	10.50
(c) Others		
Contractually reimbursable expenses	415.51	163.69
Total	<u><u>1,530.56</u></u>	<u><u>174.19</u></u>

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DRIVE INDIA ENTERPRISE SOLUTIONS LIMITED

Notes forming part of the Unaudited Condensed Financial Statements

Particulars	For the five months ended 31 August, 2015 Rupees in Lacs
Note 19 Revenue from operations :	
(a) Sale of equipment (Refer Note (i) below)	12,100.46
(b) Sale of services (Refer Note (ii) below)	14,195.40
Total	<u><u>26,295.86</u></u>
Note	
(i) Sale of equipment comprises :	
CDMA / GSM handsets	12,100.46
Total - Sale of equipment	<u><u>12,100.46</u></u>
(ii) Sale of services comprises:	
Warehousing services	7,607.46
Distribution services	6,429.58
Value added services	89.77
Freight forwarding services	68.59
Total - Sale of services	<u><u>14,195.40</u></u>
Note 20 Other income :	
(a) Interest income	
From banks on deposits	4.01
(b) Sundry balances written back	174.09
(c) Cash discount received	3.99
(d) Liabilities / provisions no longer required written back	
- On account of doubtful debt and advances	59.00
(e) Miscellaneous income	0.55
Total	<u><u>241.64</u></u>

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DRIVE INDIA ENTERPRISE SOLUTIONS LIMITED

Notes forming part of the Unaudited Condensed Financial Statements

Particulars	For the five months ended 31 August, 2015 Rs. in Lacs
Note 21 Purchase of stock-in-trade :	
CDMA / GSM Handsets	11,682.64
Total	<u><u>11,682.64</u></u>
Note 22 Changes in inventories of stock-in-trade :	
<u>Inventories at the end of the period:</u>	
Stock-in-trade	4,368.15
<u>Inventories at the beginning of the period:</u>	
Stock-in-trade	4,356.17
Net increase	<u><u>(11.98)</u></u>
Note 23 Employee benefits expense :	
Salaries and wages	954.28
Contributions to provident and other funds	38.79
Staff welfare expenses	52.61
Total	<u><u>1,045.68</u></u>
Note 24 Finance costs :	
(a) Interest expense on borrowings	465.30
(b) Bank charges	34.07
(c) Net loss on foreign currency transactions and translation	308.44
Total	<u><u>807.81</u></u>

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DRIVE INDIA ENTERPRISE SOLUTIONS LIMITED

Notes forming part of the Unaudited Condensed Financial Statements

Particulars

For the five months ended
31 August, 2015

Rupees in Lacs

Note 25 Other expenses :

Warehouse rent	2,928.00
Warehouse manpower	3,134.27
Transportation charges	5,463.55
Warehouse expenses	1,170.74
Rent	32.86
Power and fuel	140.68
Rates and taxes	12.89
Insurance	18.30
Professional and other service charges	276.47
Payment to auditors	17.46
Printing and stationery	4.90
Telephone, postage and courier	32.16
Advertisement expenses	1.89
Software expenses	2.06
Travelling and conveyance	162.82
Loss on retirement /sale of fixed assets	0.01
Bad debts and advances written off	335.31
Brand equity and brand promotion fees (in respect of earlier year)	0.83
Provision for doubtful debts and advances	1.56
Miscellaneous expenses	156.62
Total	13,893.38

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DRIVE INDIA ENTERPRISE SOLUTIONS LIMITED

Notes forming part of the Unaudited Condensed Financial Statements

26. Contingent liabilities and commitments (to the extent not provided for) :

	As at 31 August, 2015	<i>As at 31 March, 2015</i>
	Rupees in Lacs	<i>Rupees in Lacs</i>
(i) Contingent Liabilities:		
(a) In respect of demands/claims arising on account of:		
- Sales tax	4,448.47	3,316.60
- Service tax	3,390.75	3,390.75
- Income tax	16.80	16.80
(b) Bank guarantees	248.97	205.58
(c) Claims against company not acknowledged as debt	420.89	402.70
(ii) Commitments:		
Estimated amount of contracts remaining to be executed on capital account in respect of tangible and intangible assets		
- Tangible assets - [net of capital advance Rs. NIL (31 March, 2015 - Rs. 32.99 lacs)]	233.28	26.74

Note 27 Earnings per share (EPS) :

	For the five months ended 31 August, 2015
	Rupees in Lacs
(Loss) for the period (Rs. Lacs)	(4,815.72)
Weighted average number of Equity Shares outstanding during the period	5,120,400
Earnings per share (On Face value of Rs.10 each)	
-Basic and Diluted (Rs.)	(94.05)

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DRIVE INDIA ENTERPRISE SOLUTIONS LIMITED
Notes forming part of the Unaudited Condensed Financial Statements

28 Segment Information

(I) Information about Primary Business Segments

(a) Business Segment

The Company has considered business segment as the primary segment for disclosure.

Segments have been identified and reported taking into account the organization structure, the nature of products and services as well as the differing risks and returns of the segments.

The business segments of the Company are Trading and Service Segments.

- Trading Segment comprises Trading in handsets, other electronic items and telecom accessories.

- Service Segment comprises logistics related services.

(b) Geographical Segment

The operations of the Company are within India.

(II) Segment Results

Particulars	Trading		Service		Unallocated		Total	
	For the five months ended 31 August, 2015		For the five months ended 31 August, 2015		For the five months ended 31 August, 2015		For the five months ended 31 August, 2015	
REVENUE								
External Sales	12,100.46		14,195.40		241.64		26,537.50	
RESULT								
Segment Result	99.61		850.53		-		950.14	
Unallocated Corporate Expenses net of unallocated income	-		-		-		(1,933.11)	
Interest Expense	-		-		-		(465.30)	
Interest Income	-		-		-		4.01	
Exceptional Income	-		-		-		(3,371.46)	
Loss before Tax	-		-		-		(4,815.72)	
Less: Tax Expenses								
Current Tax	-		-		-		-	
Deferred Tax	-		-		-		-	
Loss for the period	-		-		-		(4,815.72)	
OTHER INFORMATION	As at 31 August, 2015	As at 31 March, 2015	As at 31 August, 2015	As at 31 March, 2015	As at 31 August, 2015	As at 31 March, 2015	As at 31 August, 2015	As at 31 March, 2015
Segment Assets	10,087.84	13,721.69	18,636.95	18,833.86	3,466.70	4,268.40	32,191.49	36,823.95
Segment Liabilities	15,706.94	17,884.36	7,925.35	5,910.09	11,016.13	10,680.71	34,648.42	34,475.16
Capital Expenditure			164.32	424.86	269.91	463.15	434.23	888.01
Depreciation					564.23	1,171.90	564.23	1,171.90

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Notes forming part of the Unaudited Condensed Financial Statements

29 Exceptional Items:

Particulars	For the period ended 31 August, 2015 Rs. in Lacs
Provision for amount receivable from Vendor - Refer note "a" below	(2,017.56)
Provision for doubtful debts - Refer Note "b" below	(1,353.90)
Exceptional Items	(3,371.46)

- a. The Company has dealt with Haier Telecom India Private Limited ['Haier'], a vendor for handsets and other devices, since 2006-07. Under the terms of arrangement with Haier, the procurements were made on High Seas Sales basis, against payment guarantee by way of Standby Letter of Credit ['SBLC'] issued in favour of Haier's bankers. In the year 2011-12, SBLCs aggregating Rs.4,847.57 lacs, against which materials were yet to be supplied, were invoked by Haier's bankers pursuant to a default by Haier in repaying its working capital borrowings.
- As at 31 August, 2015, the Company has a recoverable of Rs. 4,417.56 lacs (31 March, 2015 Rs. 4,441.89 lacs) from Haier [disclosed in Note 13 – Other Non Current Assets under Other Amounts Recoverable].
- However, as a matter of prudence and abundant caution, Management has made a provision for entire amount of Rs. 4,417.56 lacs (31 March, 2015 Rs. 2,400 lacs).
- b. In the current period, the Company has completed the reconciliation process and consequently, identified and provided doubtful debts aggregating to Rs.1,353.90 Lacs. In view of the significant provision amount, same has been shown as an exceptional item.
- 30 As at 31 August 2015, the Company has a negative net worth of Rs. 2,456.93 Lacs. Net worth has been fully eroded due to provisioning for past years' advances, receivables and operational losses.

The Company continues to face significant challenges principally due to reduction in its Trading business {i.e. Sourcing and Distribution Services ("SDS")} due to stiff competition in the market, increase in the custom duty on mobile handsets and changes in the market scenario such as direct selling of mobile handsets to end customers through online internet portal. The Loss for the period from 1 April 2015 to 31 August 2015 was Rs. 4,815.72 Lacs mainly due to provisioning of amount receivable from a party of Rs. 2,017.56 Lacs and provision of doubtful receivable of Rs.1,353.90 Lacs.

The Company was a part of the Tata Group till 31 August, 2015. The Company became a wholly owned subsidiary of TVS Logistics Services Limited ("TVSLSL") with effect from 1 September, 2015 pursuant to share purchase agreement executed amongst the erstwhile shareholders and TVSLSL.

The Company has a business expansion plan in place and expects better sales performance, operational efficiency in coming years with expertise of TVSLSL management, providing operational support and synergies in the operations of the Company. The Company expects to achieve operational efficiency with better cost control measures, higher volume of sales at existing overheads levels and improvement in margin through better negotiations with the customers.

In order to fund its working capital requirements, the Company has obtained sanctions from its bankers. Fund-based limits of Rs. 36,400 Lacs are available for utilization along with Rs. 9,750 Lacs Non-fund based limits. TVSLSL has assured to provide adequate financial support to the Company to meet the working capital requirement and expansion of the business. TVSLSL has given Rs. 4,000 lacs to the company as intercorporate loan on 4th November, 2015. TVSLSL also intends to subscribe to preference share capital of the Company as per the business needs of the Company. Management also expects to recover monies due from its customers faster to reduce the borrowing cost.

In the opinion of the Management, there is no going concern issue and accordingly the financial statements for the period from 1 April 2015 to 31 August 2015 prepared on a 'going concern basis' are appropriate. In the opinion of the Management, as per its business plan (as mentioned above), the long term prospects appear better, in view of its efforts to increase revenue from the SDS and Service business where it sees significant potential for future profitable and sustainable growth and expects to generate sufficient cash flows to fund the operating and capital requirements of the Company.

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DRIVE INDIA ENTERPRISE SOLUTIONS LIMITED


Notes forming part of the Unaudited Condensed Financial Statements

- 31 This being the first year of preparation of Condensed Interim Financial Statements for the period 1 April, 2015 to 31 August, 2015, the comparative figures for the Statement of Profit and Loss and Cash Flow Statement have not been furnished

For and on behalf of the Board of Directors



Director




Company Secretary

Place : Mumbai

Date : 24 November, 2015

Director



Director

