

8th Annual Report 2014-15



Gati-Kintetsu Express Private Limited

Board of Directors



Mr. Mahendra Agarwal
Executive Chairman



Mr. R. Ramachandran
Director &
Audit Committee Chairman



Ms. Sheela Bhide
Director



Mr. Kok Seng Tan
Director



Mr. Kazuhisa Kawamura
Director



Mr. Sanjeev Jain
Director



**Mr. Balasubramanian
Aghoramurthy**
President & Whole time Director

Auditors

M/s. R.S. Agarwala & Co.,
Chartered Accounts

Bankers

State Bank of India
ICICI Bank Ltd
HDFC Bank Ltd
AXIS Bank Ltd
DCB Bank Ltd
Syndicate Bank
IDBI Bank

Regd. & Corporate Office :

First Floor, Plot No. 20, Survery No. 12,
Kothaguda, Kondapur, Hyderabad - 500084.
Tel: +91 40 71204284, Fax: +91 40 23114318
e-mail: investor.services@gati.com
CIN: U62200TG2007PTC056311

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Notice to Shareholders

Notice is hereby given that the 8th Annual General Meeting (AGM) of the members of Gati-Kintetsu Express Pvt. Ltd. (the Company) will be held on Wednesday, July 29, 2015 at 9:30 am, at First Floor, Plot No.20, Survey No.12, Kothaguda, Kondapur, Hyderabad-84 to transact the following business:

Ordinary Business:

- 1) To consider and adopt the audited financial statements of the Company for the financial year ended March 31, 2015, the reports of the Board of Directors and Auditors thereon.
- 2) To confirm payment of interim dividend of Rs. 300/- per equity share and declare final dividend on the equity shares for the financial year 2014-15.
- 3) To appoint a Director in place of Mr. Mahendra Agarwal (DIN:00179779), who retires by rotation, and being eligible offers himself for re-appointment.
- 4) To ratify the appointment of M/s. RS Agarwala & Co, Chartered Accountants (Firm Registration No. 304045E) as the Statutory Auditors of the Company, to hold office until the conclusion of the 10th Annual General Meeting (AGM) of the Company and to fix their remuneration for the financial year ending March 31, 2016.

Special Business:

5. To consider and if thought fit to pass with or without modification(s), the following resolution as an ordinary resolution:

"RESOLVED THAT Mr. Balasubramanian Aghoramurthy who was appointed as an Additional Director of the Company with effect from September 1, 2014 on the Board of the Company in terms of sections 152, 160 and 161 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") and Articles of Association of the Company and who holds office up to the date of this Annual General Meeting be and is hereby appointed as Director of the Company and shall be liable to retire by rotation."

6. To consider and if thought fit to pass with or without modification(s), the following resolution as a special resolution:

"RESOLVED THAT pursuant to Sections 196, 197, 198, 203 read with Schedule V and all other applicable provisions, if any of the Companies Act, 2013 including any statutory modifications or re-enactments thereof and subject to such consents and approvals from any authorities, as may be necessary, from time to time, the company hereby approves the appointment of and remuneration payable to Mr. Balasubramanian Aghoramurthy as Whole Time Director of the Company, designated as "President & Whole Time Director" for a period of three (3) years with effect from September 1, 2014 as per the terms and conditions as stated in the explanatory statement to this resolution, with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include any committee which the Board may constitute to exercise powers, including the powers conferred by this resolution) to alter and vary the terms and conditions of appointment and/ or remuneration as may be agreed to between the Board and Mr. Balasubramanian Aghoramurthy, subject to the provisions of the Companies Act, 2013.

RESOLVED FURTHER THAT the remuneration as stated in the explanatory statement to this resolution, shall be paid and allowed as minimum remuneration to Mr. Balasubramanian Aghoramurthy during the currency of his tenure as President & Whole-time Director, notwithstanding the absence or inadequacy of profits in any financial year.

RESOLVED FURTHER THAT the Board be and is hereby authorized to take all such steps as may be necessary, proper or expedient to give effect to this resolution."

7. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the resolution passed at the Extraordinary General Meeting of the Company held on February 17, 2012 and the provisions of Section 180(I)(c) of the Companies Act, 2013, the consent of the Company be and is hereby accorded to the Board of Directors of the Company to borrow any sum or sums of money from time to time, on such terms and conditions and with or without security as the Board of Directors may deem fit from banks, financial institutions or any other kind of lenders notwithstanding that the money or money to be borrowed together with the money already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid up share capital of the Company and its free reserves, that is to say, reserves not so set aside for any specific purposes, provided however that the total amount so borrowed and remaining outstanding at any particular time shall not exceed Rs. 350 Crores."

RESOLVED FURTHER THAT the Board be and is hereby authorized to take all such steps as may be necessary, proper and expedient to give effect to this Resolution."

8. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the resolution passed at the Extraordinary General Meeting of the Company held on February 17, 2012 and the provisions of section 180(I)(a) and other provisions, if any, of the Companies Act 2013, the consent of the Company be and is hereby accorded to the Board of Directors of the Company to mortgage or charge all or any part of immovable or movable properties of the company, where so ever situated, both present and future, and whole or part of the undertakings of the Company of any nature and kind whatsoever and/or creating a floating charge in all or any immovable properties of the company together with

the powers to takeover the management of the business and concern of the company, in certain events, to or in favour of banks, financial institutions any other lenders to secure the amount borrowed/to be borrowed by the Company from time to time for the due payment of the principal monies together with the interest and other charges payable by the company in respect of such borrowings, provided however that the total amount so borrowed and remaining outstanding at any particular time which will be secured by such charge/mortgage shall not exceed Rs. 350 Crores.”

RESOLVED FURTHER THAT the Board be and is hereby authorized to take all such steps as may be necessary, proper and expedient to give effect to this Resolution.

Place: Hyderabad

Date: April 27, 2015

CIN : U62200TG2007PTC056311

Website : www.gatikwe.com

Email : vsn.raju@gati.com

By order of the Board

for **Gati-Kintetsu Express Private Limited**

Sanjeev Jain

Director

DIN: 05325926

Registered & Corporate Office:

First Floor, Plot no.20, Survey no.12,
Kothaguda, Kondapur, Hyderabad-84.

Tel: +91 040 7120 4284

Fax: +91 040 2311 2318

NOTES:

- 1) A member entitled to attend and vote at the annual general meeting (the “Meeting”) is entitled to appoint a proxy to attend and vote on a poll instead of himself / herself. The instrument appointing the proxy should, however, be deposited at the registered office of the Company not less than 48 hours before the commencement of the Meeting.

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

- 2) A Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.

Annexure to the Notice of the Annual General Meeting, as per Section 102 of the Companies Act, 2013.

Item No. 5

Mr. Balasubramanian Aghoramurthy was appointed as an Additional Director w.e.f. September 1, 2014 in accordance with the provisions of sections 152 & 161 of the Companies Act, 2013 and Articles of Association of the Company. Pursuant to Section 161 of the Companies Act, 2013 the above director holds office up to the date of the ensuing Annual General Meeting. In view of his expertise in business operation, the Board feels that presence of Mr. Balasubramanian Aghoramurthy on the Board is desirable and would be beneficial to the company and hence recommends resolution No. 5 for adoption.

None of the Directors or KMP or relatives of Directors and KMP, except Mr. Balasubramanian Aghoramurthy, are in any way concerned with or interested, financially or otherwise, in the resolution at Item No. 5 of the accompanying notice.

The Board recommends the resolution at Item No. 5 to be passed as an ordinary resolution.

Item No.6

The Board of Directors, subject to approval of the Shareholders appointed Mr. Balasubramanian Aghoramurthy as Whole time Director of the Company, designated as “President & Whole-time Director” for a period of three (3) years from September 1, 2014 on the following terms and conditions.

Remuneration structure:

Salary: Basic - Rs.4,00,000/- per month, with authority to the Board to sanction increment, subject to the provisions of the Companies Act, 2013.

House Rent Allowance: 60% of the Basic.

Perquisites & other allowances:

Perquisites & other allowances shall be paid in addition to the salary as per the policy of the Company but within the overall limit, if any, prescribed under the Companies Act, 2013, as amended from time to time. The perquisites shall be evaluated as per Income Tax Rules, wherever applicable and in the absence of any such rules, at actual cost.

1. Reimbursement of actual medical expenses incurred for self and family.
2. Leave Travel Concession / Allowance for self and family, in accordance with the rules of the Company.
3. Fees of Clubs.

4. Life Insurance Premium & Personal Accident Insurance Premium as per the rules of the Company.
5. Chauffer driven Company Car.
6. Communication Expenses: As per Company's policy.
7. Company's Contribution to Provident Fund and Superannuation Fund and Gratuity which shall not be included in the computation of limits for remuneration or perquisites.
8. Leave with full pay and allowances and right to accumulate and encashment as per the rules of the Company.
9. Variable Incentive & Bonus: As per Company's policy.

Others:

- (i) A onetime payment of Rs. 20,00,000 towards joining bonus
- (ii) Grant of Stock Options of Parent Company upto 1,50,000 as per the Parent Company Stock Option Schemes

Minimum Remuneration: The above remuneration shall be paid and allowed as minimum remuneration to Mr. Balasubramanian Aghoramurthy during the currency of tenure of his office as "President & Whole Time Director", notwithstanding the absence of or inadequacy of profits in any accounting year.

General:

- i) He shall not be paid any sitting fee for attending meeting of the Board or Committee(s) thereof.
- ii) The appointment is terminable by either party giving the other 90 days notice in writing without assigning any reason and without liability to pay any compensation.

This may be treated as an abstract of terms under the provisions of the Companies Act, 2013.

The information required under sub-paragraph (B) of paragraph (I) of Section II of Part - II of Schedule V of the Companies Act, 2013 is given below.

I. General Information:

1. Nature of Industry : Express Distribution & Supply Chain
2. Date or expected date of commencement of commercial production : 23.09.2008
3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: NA
4. Financial performance (₹ in Millions)

Particulars	2014-15	2013-14 (9 months)	2012-13
Total Income	11424	7836	8956
Gross Profit Before Interest, Depreciation & Tax	1160	837	878
Profit Before Tax	743	563	495
Profit After Tax	575	194	159
Dividend percentage (%)	2400%	2400%	--

5. Foreign investments or collaborations, if any :

The company has entered into a Joint Venture (JV) with Japanese global logistic service major Kintetsu World Express (KWE) along with its parent company, Gati Ltd. Under the JV agreement, Gati Ltd. holds 70 per cent stake and 30 per cent by KWE in the company. As part of the transaction, substantial part of Express Distribution and Supply Chain (EDSC) business of Gati Ltd., parent company was transferred through a Business Transfer Agreement.

II. Information about the appointee:

1. Background details: Mr. Balasubramanian Aghoramurthy comes with close to 17 years of experience in supply chain management, product development and operational efficiency. Prior to joining Gati, Bala was the General Manager, Supply Chain, Refreshment with Unilever, South Asia. Bala started with Unilever as a Management Trainee in 1998 and has held various leadership positions in the organization that ranges from technology, product development, manufacturing operations, quality assurance and customer relationships for a wide array of products/divisions of Unilever. In his last role he was a key partner at Unilever Foods & Refreshment Business where he was instrumental in planning long-term growth strategies and focus on both the top-line and bottom-line results.
2. Past Remuneration: Not Applicable, as this is his first appointment as Whole-time Director.
3. Recognition or awards: NIL

4. Job Profile and his suitability: Mr. Balasubramanian Aghoramurthy holds a Bachelor's degree in Technology (Chemical Engineering) from Indian Institute of Technology, Chennai and a Master's degree in Science (Chemical Engineering) from the University of New Mexico, Albuquerque, USA. Keeping in view his vast experience and expertise the Board considers him suitable for the position of Whole-Time Director.
5. Remuneration Proposed: As stated in the explanatory statement above.
6. Comparative remuneration profile with respect to industry, size of the company, profile of the position and person: Considering the general industry and the specific company profile, the proposed remuneration is in line with the industry levels and that of comparatively placed companies in India.
7. Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any: Except for the remuneration drawn, Mr. Balasubramanian Aghoramurthy does not have any pecuniary relation directly or indirectly with the company. Mr. Balasubramanian Aghoramurthy is not related to any other managerial personnel.

III. Other Information :

1. Reasons of loss or inadequate profits: NA
2. Steps taken or proposed to be taken for improvement: NA
3. Expected increase in productivity and profits in measurable terms.

The economy is expected to gain momentum in FY 2015-16 with Government initiatives like "Make in India" and GST implementation which will have positive impact on logistics industry. The guidance for the company looks optimistic on the back of improving macroeconomic outlook, rising consumer confidence levels and growth-friendly Government policies. Continuous growing trend in logistics and supply chain solution will be a pushing factor for the business. Gati-KWE is poised for better growth through solution selling by integrating warehousing, distribution along with other value added services.

The approval of the members is sought by way of a special resolution for the appointment of Mr. Balasubramanian Aghoramurthy as Whole time Director of the Company, designated as "President & Whole-time Director" with effect from September 1, 2014.

None of the Directors or KMP or relatives of Directors and KMP, except Mr. Balasubramanian Aghoramurthy are in any way concerned with or interested financially or otherwise in the resolution at item no.6 of the accompanying notice.

The Board recommends the resolution at item no.6 to be passed as special resolution.

Item No. 7 & 8:

The members of the Company at their Extraordinary General Meeting held on February 17, 2012 approved by way of ordinary resolution under Section 293(1)(d) of the erstwhile Companies Act, 1956 borrowings over and above the aggregate of paid up share capital and free reserves of the Company provided that the total amount of such borrowings together with the amounts already borrowed and outstanding at any point of time shall not be in excess of Rs. 350 crores (Rupees Three Hundred and Fifty crores) and create charge / mortgage the assets as per section 293(1)(a) of the erstwhile Companies Act, 1956.

The corresponding sections under the Companies Act, 2013 are 180(1)(c) & 180(1)(a) respectively.

As per the Companies Act, 2013 and circulars issued by the Ministry of Corporate Affairs, the Companies are required to pass the above resolutions under the new Act. In view of this, members are requested to pass Special Resolutions as set out at item no. 7 & 8 of the notice in accordance with section 180(1)(c) and 180(1)(a) and other applicable provisions of the Companies Act, 2013.

Members may kindly note that these resolutions are proposed to be passed only in supersession of earlier resolutions already approved by the members at the EGM held on February 17, 2012. However, there is no change in the increase of borrowing limits.

None of the directors or KMP or relatives of Directors and KMP are in any way concerned with or interested, financially or otherwise in the resolution at item no.7 & 8 of the accompanying notice.

The Board recommends the resolution at item no.7 & 8 to be passed as special resolutions.

Place : Hyderabad
Date : April 27, 2015

CIN : U62200TG2007PTC056311
Website : www.gatikwe.com
Email : vsn.raju@gati.com

Registered & Corporate Office:

First Floor, Plot no.20, Survey no.12,
Kothaguda, Kondapur, Hyderabad-84.
Tel: +91 040 7120 4284
Fax: +91 040 2311 2318

By order of the Board
for **Gati-Kintetsu Express Private Limited**
Sanjeev Jain
Director
DIN: 05325926

DIRECTORS' REPORT

Your Directors are pleased to present the 8th Annual Report and the Audited Financial Statements of your company for the financial year ended March 31, 2015.

During the FY 2013-14, your Board of Directors changed the financial year from "July – June" to "April – March" in line with the provisions of the Companies Act, 2013. Consequently, the period under review consists of 12 months i.e. April 2014 to March 2015 and the previous FY 2013-14 consists of 9 months i.e. July 2013 to March 2014. As such the financial statements of two periods are not comparable.

Financial Results

(Rs. in million)

Particulars	2014-15	2013-14 (9 months)
Total Income	11424	7836
EBITDA	1160	837
Finance cost	235	183
Depreciation	181	89
Profit before tax	743	563
Provision for tax	169	194
Profit/ (Loss) after tax	575	369

Dividend

Your Directors approved and paid an interim dividend @3000% (i.e Rs. 300/- per equity share) on 5,00,000 equity shares of the Company in the month of December, 2014.

The Directors have now recommended a final dividend @ 2400% (i.e. Rs. 240 per equity share) on 5,00,000 equity shares of the Company for the financial year 2014-15. This together with the interim dividend already paid, make a total dividend of 5400% (i.e. Rs.540 per equity shares) for the financial year 2014-15 (previous year 2000%). This would absorb a sum of Rs. 120 mn. An amount of Rs. 50 mn has been transferred to reserve fund.

Equity Share Capital

The authorized share capital of the Company stands at 75,00,000/- (Rupees Seventy five lakhs only) divided into 7,50,000 (Seven lakhs fifty thousand) Equity Shares of Rs. 10/- (Rupees Ten only) each. The Company's share capital stands at Rs. 50,00,000/- (Rupees fifty lakhs only) divided into 5,00,000 (Five lakhs) equity shares of Rs. 10/- (Rupees Ten only) each.

Review of Operations

During the period under review, your Company recorded a revenue of Rs. 11,424 mn, EBITDA of Rs. 1,160 mn and PAT of Rs. 575 mn against a revenue of Rs. 7,836 mn, EBITDA of Rs. 837 mn and PAT of Rs. 369 mn in the previous year.

Express Distribution and Supply Chain (EDSC)

Your Company contributed 69% of its business to Gati limited, your parent Company. Your Company offers solutions in Express Distribution – Road, Rail and Air; Transport Solutions for bulk transportation, e-fulfilment and Supply Chain Solutions that span end to end of the value chain. The financial year 2014-15 has been a challenging year, impacted adversely by slow growth of economy. GDP and IIP growth have been at 7.4 % and 2.8 % respectively during the year.

Your Company commands leadership position in road transportation business and second in Air cargo transportation. In Express Road category, it has registered a growth of 12% in (YoY). In Air Cargo space, it has registered healthy growth of 23% (YoY) in spite of weak growth of industry. The Transport Solutions business had a de-growth of 2% over the previous year due to operational challenges. Your company is first 3PL Company to introduce e-fulfilment services for e-Commerce industry and is successfully running 5 e-fulfillment centers.

Your Company understands the value of quality services and has taken significant steps to improve the quality through automation of the processes like introduction of CCTV, Tablets and Scanners to reduce defects and improve service efficiency levels. It has successfully run pilot project of bar-coding all packages and will be the first Express Cargo Company to introduce 100% barcode scanning of cargo. As a process, it is heading towards culture driven quality approach from initiative driven approach through continuous implementation of initiatives like 5S implementation, Service Quality Standardization.

Credit Rating

Due to continued strong performance of the company, Company's credit rating has been improving over the years as reflected below.

Instrument	Rating
Long Term Facilities	A
Short Term Facilities	A1 plus

The improved rating of your Company has facilitated to raise Commercial Paper to leverage on interest cost. The stable ratings help the Company in raising funds required for growth expansion at optimized cost and avail various banking products to suit our growth requirements.

Project Udaan

Project Udaan, a comprehensive program under implementation by your Company for enterprise transformation has yielded positive results and believe that it can drive the Company to higher levels of efficiency in the coming years. Under this project, various inter disciplinary initiatives have been taken on cost and revenue side to improve profitability of the Company by unlocking value and improving efficiency. Whilst in the first year, the project primarily drove short term initiatives to bring a positive change and momentum, it is also in the process of implementing structural changes around organization structure, network design and capacity. Impact of short term initiatives is visible on efficiency and capability and are confident that the long term initiatives will enable us to become robust information driven, lean and agile organization.

Your Company has grown in terms of capacity, capabilities and overall organizational efficiencies. In the current year, your Company is poised for an exciting period of growth and expansion, as it envisages making informed structural changes based on advanced analytical tools around network & route optimization. To set new standards and excel beyond the expectations of all our stakeholders is the goal for the year, and your Company is confident achieving this goal.

Industry Structure & Development

The total GDP of India was Rs. 99.2 trillion at constant (2011-12 prices) and Rs. 113.45 trillion at current prices, in fiscal 2014. (Source: Press Note, MOSPI, 9-Feb-2015). India has been one of the fastest growing economies in the past decade. The growth in GDP during 2014-15 is estimated at 7.4% (based on constant (2011-12 prices) as compared to the growth rate of 6.9 per cent in 2013-14 (Source: Press Note, MOSPI, 9-Feb-2015). With a fall in inflation over the last few quarters, consumer discretionary spending is expected to increase.

The Indian logistics sector has typically been driven by the objective of reducing transportation costs that were (and often continue to be) inordinately high due to regional concentration of manufacturing and geographically diversified distribution activities as well as inefficiencies in infrastructure and accompanying technology. However, driven by strong fundamentals and consistent demand, the resilient Indian economy, in general and, the logistics sector in particular, are seemingly well-positioned to sail through turbulent global economic uncertainty. (Source: NSDC's Sector wise Skill Gap report 2013-2022). Rising investment, rapidly evolving regulatory policies, mega infrastructure projects and several other developments in recent times have driven the Indian logistics market, simultaneously, also overcoming infrastructure-related constraints and logistics-centric inefficiency.

The Express logistics market in India is about USD 3.5 bn and is growing at ~16% CAGR. It is a fragmented industry with large number of players, estimated at about 2,500. However, there has been considerable consolidation of the industry over the years and the large organized players, including government postal department, presently have about 72% share.

The Indian contract logistics market, though presently at a nascent stage, compared to other developed economies, has grown significantly in the last decade. Its penetration in the logistics sector increased from 12 percent in 2010 to 18 percent in 2012, highlighting significant growth opportunities. (Source: NSDC's Sector wise Skill Gap report 2013-2022)

Opportunities:

The growth drivers of the logistics sector are fundamentally strong and have remained so over the last decade.

- **Infrastructure investments:** Infrastructure spending, as outlined in the budget, is set to increase by Rs. 140 bn for roads and INR 100 bn for rail
- **Economic growth:** Traditionally, Logistics sector has grown at ~1-1.5x India's GDP growth.
- **Supply Side shifts:** Increased offering of industry specific value-added solutions. Rising private sector investments in select segments. Better quality services with technology adoption, efficient transportation and 3PL services
- **Growing Demand:** Demand from Auto, organized retail, pharma, BFSI, e-Commerce, electronics to drive growth. Players offering integrated solutions to benefit from rising demand
- **Evolving regulation:** GST to be implemented by April'16. Growing privatization of Container Train Operators, rail infrastructure. Public Private Participation thrust at ports, airports, roads, logistics parks, etc. Enabling regulation for coastal shipping and road transportation

Competitive Strengths

Your Company believe the following are the principal competitive strengths which it expect will continue to help to move in the direction that it have set through your business strategy and help achieve and maintain leadership positions in your current areas of operation and areas it plan to expand into.

➤ **Integrated service offering**

Your Company provide a broad range of logistics services to your customers seeking to use a variety of transportation options to optimize their supply-chain needs. The increasing scale and complexity of your customers' operations has driven demand for logistics providers that can offer a full spectrum of logistics services across multiple geographies. Your Company's ability to fulfil the requirements by being an end-to-end logistics partner allows your customers to reduce the number of service providers they engage, thus saving them time and money and ultimately simplifying their operations, while also providing enhanced cost competitiveness.

➤ **Strong network coverage and wide geographical reach**

To support your growth initiatives, your Company established an integrated branch network that has helped to optimize operational costs and improve our ability to deliver our services to our customers effectively. Your organization combines the benefits of established pan-India network with the local market knowledge of your branch-level employees to provide your customers with extensive reach to service their requirements.

➤ **Information Technology capabilities**

Information technology is a critical differentiator in the logistics industry, providing the crucial ability to track the locations of large numbers of products along the supply chain. Your Company have developed a proprietary enterprise resource planning software, GEMS (Gati Enterprise Management Systems). The advanced IT system ensures sharing of operations data between our operations, our customers and our service providers in order to facilitate warehouse management, route optimization, freight consolidation, back office functions and other services.

➤ **Long term relationships with clients**

Your Company cater to large corporates across various industry sectors. For your express distribution and supply chain solutions, it counts leading players from the automobiles, electronics, pharmaceutical and FMCG sectors as your long standing customers.

➤ **Professional and experienced Board and management team**

Your Company has an experienced Board that oversees and guides your strategy and operations. Your Board has constituted several sub-committees including the Audit Committee, Nomination & Remuneration Committee and CSR Committee for timely decision-making and to ensure effective governance. Your directors include individuals experienced in a wide range of subjects relevant to our business including logistics FMCG, hospitality, healthcare, telecom, law, finance and international trade.

➤ **Optimization of operations**

The reputation is based on your service levels that it provide, tailored to your customers' shipping needs, as it compete in a premium service based on reliability, timeliness and visibility. Your operations strategy includes increasing the package volumes moving through your network and broadening the scope of your service offerings in high-growth segments. In connection with this strategy, your Company is continuing to optimize your existing operations by implementing advanced information technology and leveraging your carrier capacity across services it offer. Your Company has implemented certain initiatives that it believe are necessary for future success and growth, through its initiative "Udaan". The operational initiative under this Udaan include:

- National Grid Initiative: A centrally controlled national grid supported by a regional dynamic network.
- Network Optimization
 - Strategic long term decision indicating the location of our operating units.
 - Medium term decision indicating the route optimization.
 - Short term decision indicating the vehicle count, capacities & schedules

Future Prospects

The economy is expected to gain momentum in FY 2015-16 with Government initiatives like "Make in India" and GST implementation which will have positive impact on logistics industry. The guidance for the company looks optimistic on the back of improving macro-economic outlook, rising consumer confidence levels and growth-friendly government policies

Continuous growing trend in logistics and supply chain solution will be a pushing factor for the business. Your Company is poised for better growth through solution selling by integrating warehousing, distribution along with other value added services.

Directors

During the year under review, Mr. Bala Aghoramurthy has been appointed as an Additional Director & Whole-time Director w.e.f. September 1, 2014 in accordance with the provisions of the Companies Act, 2013 and Articles of Association of the Company.

In accordance with the provisions of Section 152 of the Companies Act, 2013, Mr. Mahendra Agarwal, retires by rotation and being eligible, has offered himself for re-appointment

Particulars of Employees and related Disclosures

In terms of the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in the said rules are provided hereunder.

(Rs. in Mn)

Sl.	Name and Qualification	Age	Designation	Remuneration (in Rupees)	Experience (in Years)	Date of commencement of Employment	Previous Employment / Position Held	% of No. Equity shares held*
1	Mr. Mahendra Agarwal, B.E. MBA (USA)	61	Executive Chairman	2.62	40	10.05.2012	N.A	Nil
2	Mr. Balasubramanian Aghoramurthy B.Tech, M.S (Chemical Engineering)	40	President & Whole-Time Director	11.19	18	01.09.2014	Hindustan Unilever Limited	Nil

*Includes equity shares held along with spouse and dependent children.

Notes:

1. All appointments are contractual and terminable by notice on either side.
2. Information about qualifications and last employment is based on particulars furnished by the concerned employee.
3. Remuneration includes salary, bonus, various allowances, contribution to Provident Fund and Superannuation Fund, taxable value of perks and gratuity paid but excluding gratuity provision.
4. None of the employees mentioned above is related to any director of the Company.
5. None of the employees as mentioned above are drawing remuneration more than the remuneration drawn by a whole-time director and holds, by themselves or along with their spouse and dependent children, two percent or more of the equity shares of the Company.

Declaration on Independent Directors

All the Independent Directors confirmed that they have met the criteria of independence as required under Section 149 of the Companies Act, 2013.

Remuneration Policy

Your Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The Remuneration Policy as adopted by the Board is as follows:

The Nomination and Remuneration (N&R) Committee has adopted a Charter which, inter alia, deals with the manner of selection of Board of Directors and CEO & Managing Director and their remuneration. This Policy is accordingly derived from the said Charter.

I. Criteria of Selection of Non-Executive Directors

- a. The Non-Executive Directors shall be of high integrity with relevant expertise and experience so as to have a diverse Board with Directors having expertise in the fields of manufacturing, marketing, finance, taxation, law, governance and general management.
- b. In case of appointment of Independent Directors, the N&R Committee shall satisfy itself with regard to the criteria of independence of the Directors vis-à-vis the Company so as to enable the Board to discharge its function and duties effectively.
- c. The N&R Committee shall ensure that the candidate identified for appointment as a Director is not disqualified for appointment under Section 164 of the Companies Act, 2013.
- d. The N&R Committee shall consider the following attributes / criteria, whilst recommending to the Board the candidature for appointment as Director.
 - a) Qualification, expertise and experience of the Directors in their respective fields;
 - b) Personal, Professional or business standing;
 - c) Diversity of the Board.
- e. In case of re-appointment of Non-Executive Directors, the Board shall take into consideration the performance evaluation of the Director and his engagement level.

2. Remuneration

The Non-Executive Directors shall be entitled to receive remuneration by way of sitting fees, reimbursement of expenses for participation in the Board / Committee meetings and commission as detailed hereunder:

- i. A Non-Executive Director shall be entitled to receive sitting fees for each meeting of the Board or Committee of the Board attended by him, of such sum as may be approved by the Board of Directors within the overall limits prescribed under the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014;
- ii. A Non-Executive Director will also be entitled to receive commission on an annual basis, of such sum as may be approved by the Board on the recommendation of the N&R Committee;
- iii. The N&R Committee may recommend to the Board, the payment of commission on uniform basis, to reinforce the principles of collective responsibility of the Board;
- iv. The N&R Committee may recommend a higher commission for the Chairman of the Board of Directors, taking into consideration his overall responsibility;
- v. In determining the quantum of commission payable to the Directors, the N&R Committee shall make its recommendation after taking into consideration the overall performance of the Company and the onerous responsibilities required to be shouldered by the Director;
- vi. The N&R Committee may recommend to the Board, for the payment of additional commission to those Directors who are Members on the Audit Committee of the Board subject to a ceiling on the total commission payable as may be decided;
- vii. In addition to the remuneration paid under Clause (ii) and (vi) above, the Chairman of the Audit Committee shall be paid an additional commission, as may be recommended to the Board by the N&R Committee;
- viii. The total commission payable to the Directors shall not exceed 1% of the net profit of the Company;
- ix. The commission shall be payable on pro-rata basis to those Directors who occupy office for part of the year;
- x. The Independent Directors of the Company shall not be entitled to participate in the Stock Option Scheme of the Company, if any, introduced by the Company.

3. Criteria for selection/appointment of CEO & Managing Director

For the purpose of selection of the CEO & MD, the N&R Committee shall identify persons of integrity who possess relevant expertise, experience and leadership qualities required for the position and shall take into consideration recommendation, if any, received from any member of the Board.

The Committee will also ensure that the incumbent fulfils such other criteria with regard to age and other qualifications as laid down under the Companies Act, 2013 or other applicable laws.

4. Remuneration for the CEO & Managing Director

- i. At the time of appointment or re-appointment, the CEO & Managing Director shall be paid such remuneration as may be mutually agreed between the Company (which includes the N&R Committee and the Board of Directors) and the CEO & Managing Director within the overall limits prescribed under the Companies Act, 2013.
- ii. The remuneration shall be subject to the approval of the Members of the Company in General Meeting.
- iii. The remuneration of the CEO & Managing Director is broadly divided into fixed and variable components. The fixed component comprises salary, allowances, perquisites, amenities and retrial benefits. The variable component comprises performance bonus.
- iv. In determining the remuneration (including the fixed increment and performance bonus) the N&R Committee shall ensure / consider the following:
 - a) the relationship of remuneration and performance benchmarks is clear;
 - b) balance between fixed and incentive pay reflecting short and long term performance objectives, appropriate to the working of the Company and its goals;
 - c) responsibility required to be shouldered by the CEO & Managing Director, the industry benchmarks and the current trends;
 - d) the Company's performance vis-à-vis the annual budget achievement and individual performance vis-à-vis the KRAs / KPIs.

5. Remuneration Policy for the Senior Management Employees

In determining the remuneration of the Senior Management Employees (i.e. KMPs and Executive Committee Members) the N&R Committee shall ensure / consider the following:

- i. the relationship of remuneration and performance benchmark is clear;
- ii. the balance between fixed and incentive pay reflecting short and long term performance objectives, appropriate to the working of the Company and its goals;

- iii. the remuneration is divided into two components viz. fixed component comprising salaries, perquisites and retirement benefits and a variable component comprising performance bonus;
- iv. the remuneration including annual increment and performance bonus is decided based on the criticality of the roles and responsibilities, the Company's performance vis-à-vis the annual budget achievement, individuals performance vis-à-vis KRAs / KPIs, industry benchmark and current compensation trends in the market.

The Managing Director will carry out the individual performance review based on the standard appraisal matrix and shall take into account the appraisal score card and other factors mentioned herein-above, whilst recommending the annual increment and performance incentive to the N&R Committee for its review and approval.

Board Evaluation

Pursuant to the provisions of the Companies Act, 2013, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration and other Committees. The manner in which the evaluation has been carried out has been explained hereunder.

A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of attendance, engagement and contribution, independence of judgment, safeguarding the interest of the Company and its minority shareholders etc. The performance evaluation of the Independent Directors was carried out by the entire Board, excluding the director being evaluated. The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors. The Directors expressed their satisfaction with the evaluation process.

Separate meetings of the Independent Directors

During the year under review, the Independent Directors met on December 6, 2014, inter alia, to discuss:

- Evaluation of the performance of Non-Independent Directors and the Board of Directors as a whole;
- Evaluation of the performance of the Chairman of the company, taking into account the views of the Executive and Non-Executive Directors.
- Evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the Independent Directors were present at the Meeting.

Particulars of Loans, Guarantees and Investments

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 forms part of the Financial Statements.

Corporate Social Responsibility (CSR)

In terms of section 135 and Schedule VII of the Companies Act, 2013 read with rules made thereunder, the Board of Directors of your Company have constituted a CSR Committee. The Committee of the Board has framed a CSR Policy which forms part of the Annual Report on CSR is annexed as **Annexure-A**

Your Company has earmarked a budget of Rs. 7.67 mn (i.e. 2% of average net profits of the previous 3 years) for FY 2014-15 and spent Rs. 7.91 mn during the year towards CSR activities across India.

Related Party Transactions

Related party transactions that were entered during the financial year were on an arm's length basis and were in the ordinary course of business. There were no materially significant related party transactions with the Company's Promoters, Directors, Management or their relatives, which could have had a potential conflict with the interests of the Company. Transactions with related parties entered by the Company in the normal course of business are periodically placed before the Audit Committee for its approval and the particulars of contracts entered during the year as per **Form AOC-2** is annexed as **Annexure -B**

Meetings of the Board

During the financial year 2014-15, the Board met five (5) times: on May 5, 2014, August 5, 2015, October 28, 2014, December 5, 2014 and January 23, 2015.

Audit Committee

Pursuant to the provisions of the Companies Act, 2013 and rules made thereunder, your Company has constituted Audit Committee comprising of the following Directors:

S. No	Name	Position
1.	Mr. R Ramachandran	Chairman
2.	Ms. Sheela Bhide	Member
3.	Mr. Kok Seng Tan	Member

Vigil Mechanism

Pursuant to the provisions of section 177(9) & (10) of the Companies Act, 2013, a Vigil Mechanism for directors and employees to report genuine concerns has been established and the same is disclosed on the website of the Company.

Directors' Responsibility Statement

Pursuant to the requirement under section 134(5) of the Companies Act, 2013 with respect to the Directors' Responsibility Statement, it is hereby confirmed:

1. That in the preparation of the Accounts for the period ended March 31, 2015, the applicable accounting standards have been followed along with proper explanation relating to material departures.
2. That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year under review;
3. That the Directors 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;
4. That the accounts have been prepared on a 'going concern' basis, for the period ended March 31, 2015.
5. The directors have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

Extract of Annual Return

The details forming part of the extract of the Annual Return in **Form MGT-9** is annexed as **Annexure – C**.

Auditors

M/s. RS Agarwala and Co, Chartered Accountants, Kolkata were appointed as the statutory auditors of the company at the 7th AGM held on August 5, 2014, for a period of three (3) years, subject to ratification at every AGM. The Company has received letter to the effect that the ratification of appointment, if made, would be within the prescribed limits under Section 141(3)(g) of the Companies Act, 2013 and that they are not disqualified for re-appointment.

Secretarial Audit

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. dvm gopal & associates, a firm of Practicing Company Secretaries to undertake the Secretarial Audit of the Company. The Report of the Secretarial Audit is annexed as **Annexure – D**.

Development and Implementation of Risk Management Policy

Your company has a robust Risk Management Policy which has been implemented and placed effectively. The Company has been addressing various risks impacting the Company which includes the identification of various elements of risk impacting the company and mitigation of the same.

Internal Control Systems & their Adequacy

Your Company has in place an adequate system of internal controls commensurate with its size & nature of operations, along with well-defined organization structure & documented policy guidelines & procedures, predefined delegation of authority covering all corporate functions and all operating units. Systems of internal controls are designed to provide reasonable assurance regarding the effectiveness and efficiency of operations, the adequacy of safeguards for assets, the reliability of financial controls, and compliance with applicable laws and regulations.

Adequate internal control measures are in the form of various policies & procedures issued by the Management covering all critical and important activities viz. Contract Management, Operations, Procurement, Finance, Human Resources, Safety, etc. These policies & procedures are updated from time to time and compliance is monitored by Internal Audit Function. The Company at all-time continues its efforts to align all its processes and controls with industry best practices. The internal audit function based on the audits of operating units and corporate functions highlights various risks and provide constructive recommendation on regular basis for the Operating Units to improve on moderate & high risk areas.

The effectiveness of internal controls is reviewed through the internal audit process, which is undertaken for every operating unit and all major corporate support functions under the direction of the Head Internal Audit. The focus of these reviews is as follows:

- Identify weaknesses and areas of improvement
- Compliance with defined policies and processes
- Safeguarding of tangible and intangible assets
- Management of business and operational risks
- Compliance with applicable statutes
- Compliance with the Gati Code of Conduct

The Audit Committee of the Board oversees the adequacy of the internal control environment through regular reviews of the audit findings and monitoring implementations of internal audit recommendations through the action taken reports submitted to them.

Human Resources

People are our greatest asset and we fondly refer to them as “Gati’ites”. We owe our success to the dedication and commitment of our Gati’ites. To retain leadership position, your Company continuously innovates, automates and customizes its Human Resource strategy to meet changing Gati’ites needs. The endeavour is to create a performance based culture where performance is rewarded and Gati’ites get an opportunity to explore and realise their potential.

Your Company continuously invest in Learning & Development program to be future ready and support its business growth in challenging environment. Your Company has a structured “Capability Development” program to upgrade domain expertise and Leadership capabilities across levels and functions. Future Leadership Identification Program (FLIP) targets “Key Talent” at middle management level facilitating Potential development, engagement and offering fast track career growth. Leadership development programme for top management is facilitated through 360 degree feedback and Individual Development Program (IDP).

To infuse fresh perspective and diversity, your Company has hired talent from across industries and experience groups. The academic interface was strengthened and expanded to reach top educational institutions with a structured career progression path.

Human Resource is aligned to business needs envisaging a boundary less workplace ensuring free flow of ideas and information through unified organisation structure and defined processes. The rigorous focus on talent engagement, defined career progression and benchmarking of compensation & benefits has helped your Company to attract and retain the best talent and emerge as a preferred employer.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings & Outgo

The above information as required under the Companies Act, 2013 is annexed as **Annexure - E**

General

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

1. Issue of equity shares with differential rights as to dividend, voting or otherwise.
2. Issue of shares (including sweat equity shares) to employees of the Company under any scheme.
3. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company’s operations in future.
4. During the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.
5. There were no material changes commitments affecting the financial position of the Company between the end of financial year (March 31, 2015) and the date of the report (April 27, 2015).
6. During the year under review, your Company did not accept any public deposits.

Acknowledgement

We thank our customers, vendors, bankers, Government authorities and shareholders for their continued support during the year. We place on record our appreciation of the contribution made by employees at all levels.

Place : Hyderabad
Date : April 27, 2015

For and on behalf of the Board

Mahendra Agarwal
Executive Chairman
DIN: 00179779

Annexure – A

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR THE FY 2014-15

1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.	Gati-KWE to be a socially responsible corporate by fulfilling its responsibilities as a member of the society and community, thereby creating a positive impact to the stakeholders with a concern towards the environment. The programs include Education, Community, Environment Sustainability and Rural Development Projects & Donations.
	Web-link of the policy: http://www.gatikwe.com/pdf/GatiKWE_CSRPolicy.pdf
2. The Composition of the CSR Committee	1. Mr. Kazuhisa Kawamura, Chairman 2. Mr. Sanjeev Jain, Member 3. Ms. Sheela Bhide, Member
3. Average net profit of the Company for last three financial years.	Rs. 383.31 Mn
4. Prescribed CSR Expenditure (two per cent. of the amount as in item 3 above)	Rs. 7.67 Mn
5. Details of CSR spent during the financial year 2014-15:	
a. Total amount to be spent for the financial year 2014-15.	Rs. 7.91 Mn
b. Amount unspent, if any	NA

c. Manner in which the amount spent during the financial year is detailed below:

Sl. No.	CSR project or activity identified	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or Programs wise	Amount spent on the projects or Programs Subheads: (1) Direct expenditure on projects or Programs. (2) Overheads:	Cumulative expenditure upto to the reporting period	Amount spent: Direct or through implementing agency
1	2	3	4	5	6	7	8
1	Notebooks donation, Awards to Students, Independence Day, Republic Day, Teachers & Childrens Day,	Education	Kurukshetra, Jaipur, Lucknow, Gurgaon, Gautam Buddhnagar, Ahmedabad,	Rs. 2.01 Mn	Rs. 2.61 Mn	Rs. 2.61 Mn	Direct
2	Sewing Machines Donation, Medical Camps, Swachh Bharat Abhiyan, Maintenance of Rajoli Weavers shed	Community	Raigad, Dewas, Pune, Bangalore, Coimbatore, Hyderabad, Velappanchavadi, Kolkata, Guwahati, Jamshedpur, Gangtok.	Rs. 1.69 Mn	Rs. 0.35 Mn	Rs. 0.35 Mn	Direct
3	Tree Plantation Drives, J&K Flood relief, Wildlife Conservation,	Environment Sustainability		Rs. 0.28 Mn	Rs. 0.96 Mn	Rs. 0.96 Mn	Direct
4	Donations to Orphanages, Medical Research Projects,	Rural Development Projects & Donations	Hyderabad & Rajoli village	Rs. 3.69 Mn	Rs. 3.98 Mn	Rs. 3.98 Mn	Direct
	TOTAL			Rs. 7.67 Mn	Rs.7.91 Mn		

RESPONSIBILITY STATEMENT

The Responsibility Statement of the CSR Committee of the Board of Directors of the Company, is reproduced below:

‘The implementation and monitoring of Corporate Social Responsibility (CSR) Policy, is in compliance with CSR objectives and policy of the Company.’

Place : Hyderabad
Date : April 27, 2015

Mahendra Agarwal
Executive Chairman
DIN: 00179779

Kazuhisa Kawamura
Chairman, CSR Committee
DIN: 03487832

Annexure – B
Related Party Transactions

1.	Details of contracts or arrangements or transactions not at arm's length basis	
	(a) Name(s) of the related party and nature of relationship	NA
	(b) Nature of contracts/arrangements/transactions	
	(c) Duration of the contracts/arrangements/transactions	
	(d) Salient terms of the contracts or arrangements or transactions including the value, if any	
	(e) Justification for entering into such contracts or arrangements or transactions	
	(f) date(s) of approval by the Board	
	(g) Amount paid as advances, if any :	
	(h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188	
2.	(A) Details of material contracts or arrangement or transactions at arm's length basis	
	(a) Name(s) of the related party and nature of relationship	Gati Ltd., Holding Company
	(b) Nature of contracts/arrangements/transactions	Lease of Regd. Office at Kondapur, Hyderabad
	(c) Duration of the contracts/arrangements/transactions	15 years
	(d) Salient terms of the contracts or arrangements or transactions including the value, if any:	a) Total area: 55882 Sq. Ft. (Inclusive of undivided share in parking). b) INR 73 per sq. ft. per month and maintenance cost at actuals with a cap Rs. 15 per Sq ft, c) for using as registered office
	(e) Date(s) of approval by the Board, if any:	05.05.2014
	(f) Amount paid as advances, if any:	Rs. 583 lakhs as security deposit
	(B) Details of material contracts or arrangement or transactions at arm's length basis	
	a) Name(s) of the related party and nature of relationship	Gati Ltd., Holding Company
	b) Nature of contracts/arrangements/transactions	Lease of Warehouse at Goa
	c) Duration of the contracts/arrangements/transactions	60 months
	d) Salient terms of the contracts or arrangements or transactions including the value, if any:	a) Total area 14,500 sq.ft. and parking area 30,000 sq.ft. b) rate of INR 20 per sq. ft. per month and maintenance cost at actuals with a cap Rs. 2/- per Sq ft c) for warehouse purpose
	e) Date(s) of approval by the Board, if any:	05.12.2014
	f) Amount paid as advances, if any:	Rs.22.74 lakhs as security deposit

Annexure – C
Form No. MGT-9
EXTRACT OF ANNUAL RETURN

As on the financial year ended March 31, 2015

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

I. REGISTRATION AND OTHER DETAILS

i)	CIN	U62200TG2007PTC056311
ii)	Registration Date	November 14, 2007
iii)	Name of the Company	Gati-Kintetsu Express Private Limited
iv)	Category / Sub-Category of the Company	Company limited by shares, Indian Non-Government Company.
v)	Address of the Registered Office and Contact details	First Floor, Plot no. 20, Sy. 12, Kothaguda, Kondapur, Hyderabad - 500 084. Tel. No. 040 – 71204284. Email id: investor.services@gati.com Website: www.gatikwe.com
vi)	Whether listed Company	No
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	N.A

II. PRINCIPLE BUSINESS ACTIVITY OF THE COMPANY

No	Name and Description of main products / services	NIC Code of the product / service	% to total turnover of the Company
I)	Cargo handling incidental to land & air transport	52241, 52243	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S.No	Name and Address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of Shares held	Applicable Section
I)	Gati Ltd., Plot No.20, Sy. No.12, Kothaguda, Kondapur, Hyderabad-500084.	L63011TG1995PLC020121	Holding	70	2 (46)

IV. SHARE HOLDING PATTERN (Equity share capital breakup as percentage of Total Equity)

i) Category-wise shareholding

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	
A Promoters									
(1) Indian									
a) Individual / HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	-	350,000	350,000	70	-	350,000	350,000	70	Nil
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other (Trusts)	-	-	-	-	-	-	-	-	-
Sub-Total (A) (1)	-	350,000	350,000	70	-	350,000	350,000	70	Nil
(2) Foreign									
a) NRI - Individual	-	-	-	-	-	-	-	-	-
b) Other - Individual	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Sub-Total (A) (2)	-	-	-	-	-	-	-	-	-
Total shareholding of promoter (A) = (A)(1) + (A)(2)	-	350,000	350,000	70	-	350,000	350,000	70	Nil
B Public Shareholding									
(1) Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt	-	-	-	-	-	-	-	-	-
e) Venture Capital Fund	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (Specify)	-	-	-	-	-	-	-	-	-
Sub-Total (B) (1)	-	-	-	-	-	-	-	-	-
(2) Non-Institutional									
a) Bodies Corporate									
i) Indian	-	20,000	20,000	4	-	20,000	20,000	4	Nil
ii) Overseas	-	130,000	130,000	26	-	130,000	130,000	26	Nil
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 Lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 Lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-Total (B)(2)	-	150,000	150,000	30	-	150,000	150,000	30	Nil
Total Public shareholding (B) = (B)(1) + (B)(2)	-	150,000	150,000	30	-	150,000	150,000	30	Nil
C Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	500,000	500,000	100	-	500,000	500,000	100	-

ii) Shareholding of Promoters

Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding 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 the total shares	
Gati Limited	350,000	70	-	350,000	70	-	Nil
Total	350,000	70	-	350,000	70	-	Nil

iii) Change in Promoter's Shareholding (please specify if there is no change)

There is no change in the Promoter Shareholding during the financial year 2014-15.

iv) Shareholding Pattern of top ten shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

Sl. No.	For each of the Top 10 Shareholders	Shareholding at the beginning of the year		Date wise increase / (decrease) in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.)			Cumulative Shareholding at the end of the year	
		No. of shares	% of total shares of the Company	Date	No. of shares	Nature	No. of shares	% of total shares of the Company
1	KWE-Kintetsu World Express (S) Pte Ltd.	130,000	26	-	-	-	130,000	26
2	Kintetsu World Express (India) Pvt Ltd.	20,000	4	-	-	-	20,000	4

v) Shareholding of Directors and Key Managerial Personnel

Sl. No.	For each the Directors and KMP	Shareholding at the beginning of the year		Date wise increase / (decrease) in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.)			Cumulative shareholding at the end of the year
		No. of shares	% of total shares of the Company	Date	No. of shares	Nature	
None of the Directors and Key Managerial Personnel hold any shares in the Company.							

V. INDEBTEDNESS

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

(Rs. in Cr.)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebted ness
Indebtedness at the beginning of the financial Year				
i) Principal Amount	174.60	Nil	Nil	174.60
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i+ii+iii)	174.60	Nil	Nil	174.60
Change in Indebtedness during the financial year				
Addition	177.53	Nil	Nil	177.53
Reduction	196.95	Nil	Nil	196.95
Net Change	(194.18)	Nil	Nil	(194.18)
Indebtedness at the end of the financial Year				
i) Principal Amount	155.18	Nil	Nil	155.18
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i+ii+iii)	155.18	Nil	Nil	155.18

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(Rs. in Cr.)

Sl. No.	Particular of Remuneration	Mr. Mahendra Agarwal, Executive Chairman	Mr. Bala Aghoramurthy, Whole-Time Director	Total
1	Gross Salary			
	a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	2.43	0.97	3.40
	b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961.	0.18	0.07	0.25
	c) Profit in lieu of salary 17(3) of the Income Tax Act, 1961.	Nil	Nil	Nil
2	Stock Option (no. of options)	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil
4	Commission			
	- as a % of profit	0.20 (0.25%)	Nil	0.20 (0.25%)
	- others, specify	Nil	Nil	Nil
5	Others, please specify	Nil	Nil	Nil
	Total (A)	2.81	1.04	3.86
	Ceiling as per the Act			7.85

B. Remuneration to other Directors

(Rupees. in lakhs)

Sl. No	Particular of Remuneration	Name of the Directors					
		Sanjeev Jain	Sheela Bhide	R. Rama chandran	Seng Kok Tan	Kazuhisa Kawamura	Total
1	Independent Directors						
	(a) Fee for attending board / committee meetings	-	3.3	3.1	-	-	6.4
	(b) Commission*	-	3	4	-	-	7
	(c) Others, please specify	-	-	-	-	-	-
	Total (1)	-	6.3	7.1	-	-	13.4
2	Other Non-Executive Directors						
	a) Fee for attending board / committee meetings	-	-	-	-	-	-
	b) Commission	-	-	-	3	3	6
	c) Others, please specify	-	-	-	-	-	-
	Total (2)	-	-	-	3	3	6
	Total B = (1+2)	-	6.3	7.1	3	3	19.4
	Total Managerial Remuneration						13
	Ceiling as per the Act						78.49

* Will be paid after adoption of accounts by shareholders at the AGM.

C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD: **Not Applicable****VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES**

Type	Section of the Companies Act	Brief Description	Details of penalty / punishment/ compounding fee imposed	Authority [RD / NCLT/Court]	Appeal made, if any (give details)
A. Company:	None				
Penalty					
Punishment					
Compounding					
B. Directors:	None				
Penalty					
Punishment					
Compounding					
C. Other officers in Default:	None				
Penalty					
Punishment					
Compounding					

Annexure – D
Secretarial Audit Report
(FOR THE FINANCIAL YEAR ENDING 31ST MARCH 2015)
Form MR-3

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To
The Members of
M/s. Gati Kintetsu Express Private Limited
Hyderabad.

We have conducted the Secretarial Audit on the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. Gati Kintetsu Express Private Limited** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon. Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period ended on **31st March 2015**, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I. The Company is engaged in the business of transportation and we have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the period ended on 31st March 2015 according to the provisions of:

- (i) The Companies Act, 2013 ("the Act") and the Rules made there under;
- (ii) Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

II. We further report that:

- 1. The Company has, in our opinion, complied with the provisions of the Companies Act, 1956, Companies Act, 2013 and the Rules made under that Act as notified by Ministry of Corporate Affairs and the Memorandum and Articles of Association of the Company, except the following as given below:-

Pursuant to the Article 8.1.1 of the Articles of Association of the Company, one of the Independent Directors of M/s. Gati Limited should be appointed as a Director on the Board of this Company as well. The said requirement is complied effective from 6th August 2014.

- 2. The provisions of the FEMA, 1999 and the Rules and regulations made there under during the financial year under review were complied.
- 3. We further report that since the Secretarial Standards issued by Institute of Company Secretaries of India (ICSI) are yet to be notified by the Ministry of Corporate Affairs, we have not commented on the same.

III. We further report that:

- 1. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- 2. Adequate Notice is given to all Directors to conduct the Meetings of Board and its committees. Agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting.
- 3. Majority decision is considered while the dissenting members' views are captured and recorded, if any, as part of the minutes.
- 4. The Company has obtained all necessary approvals under the various provisions of the Act; and
- 5. There were no prosecution initiated and no fines or penalties imposed during the year under review under the Act, Rules and Regulations against/on the Company, its Directors and Officers.
- 6. The Directors have complied with the disclosure requirements in respect of their eligibility of appointment, there being independent and compliance with the Code of Business Conduct & Ethics for Directors and Management Personnel;

- IV. With reference to the compliance of Industry Specific Acts of the Company, we relied upon Compliance Certificates issued by the Company Secretary of the Company to the Board of Directors and also Compliance Certificates issued by the respective Department Heads. Our report of compliance would be limited to their reporting and subject to the observations and comments made by them in their report, if any.
- V. With reference to the compliance of the Labour and Financial Laws, we relied upon Compliance Certificates issued by the Company Secretary to the Board of Directors and also Compliance Certificates issued by the respective Department Heads and also report of Statutory and Internal Auditors. Our report of compliance would be limited to their reporting and subject to the observations and comments made by them in their report, if any.
- VI. Based on the information received and the records maintained, there are adequate systems and processes in the Company that commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
- VII. During the audit period, there were no specific events/actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. as referred to above.

For **dvmgopal & associates**
Company Secretaries

Place: Hyderabad
Date: 27.04.2015

DVM Gopal
Proprietor
M No: F6280
CP No: 6798

Annexure – E

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo [Section 134(3)(m) of The Companies Act, 2013 read with Rule 8(3) of The Companies (Accounts) Rules, 2014]

A) Conservation of Energy:

Your Company continues to be conscious of the environmental impact of our business and continues to improve on its fuel efficiency through various initiatives in this area.

Further, the following measures are implemented continuously by the Company:

1. Vehicles were purchased carefully in compliance with all latest regulations relating to pollution control and Bharat Stage (Euro) norms i.e. BS III/BS IV models.
2. The strict periodical maintenance of Company's vehicles was done as per manufacturer's prescribed norms to ensure optimum fuel consumption & better vehicle maintenance.
3. Stringent checks for vehicles and exit of vehicles >5 years old.
4. Drivers' training programs are being organized and conducted periodically to improve their driving skills, safe driving, better vehicle maintenance and improved fuel efficiency of vehicle.
5. Providing DIP i.e., Drivers Information Package which would educate them about Do's and Don'ts, RIC (Route Information card) and check list to be followed before departing the vehicle & monitoring through Vehicle Tracking System
6. A centralized Operations Control Center has been built to provide support to vehicles and drivers 24/7, 365 days.
7. The new Corporate Office has been built adhering to the Leed Norms and was awarded LEED GOLDEN Certificate.
8. LED lights are being used for all new warehouses and the old light fixtures are being replaced with LED fixtures.
9. Providing cross ventilation for light and air, thus reducing power consumption in day time, thus reducing power consumption.
10. All the warehouses have provided and maintained rain harvesting pits & greenery.

B) Technology Absorption:

Your company has increased the rollout of tablets to update the realtime delivery information & also for on-line loading/unloading, along with scanner at customer premises & operating units.

C) Foreign Exchange earnings and outgo:

The particulars of earning and expenditure in foreign exchange during the year are given as additional information in note no. 22(e) in Notes on Financial Statements.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF GATI-KINTETSU EXPRESS PRIVATE LIMITED.

We have audited the accompanying financial statement of **Gati-Kintetsu Express Private Limited** ("the Company"), which comprise the Balance sheet as at 31st March, 2015, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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 Accounting Standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014. 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

Our responsibility is to express an opinion on these financial statements based on our audit.

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.

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.

An audit involves performing procedures to obtain audit evidence about the amounts and 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, but not for the purpose of expressing an opinion on whether the company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion:

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 31st Mar 2015 and its Profit and its Cash flow for the year ended on that date.

Report on Other legal and Regulatory Requirements:

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. 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 the Cash Flow Statement 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 the Act, read with Rule 7 of the Companies (Accounts) Rule, 2014 (as amended) .
- e) On the basis of written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of section 164(2) of the Act.
- f) With respect to other matter to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules 2014, in our opinion and to the best of our information and according to the explanations given to us :
 - i) The Company does not have any pending litigation which would impact its financial position.
 - ii) The Company did not have any long terms contract including derivative Contracts for which there were any material foreseeable losses.
 - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **R.S. Agarwala & Co.**
Chartered Accountants
Firm Regn No:-304045E

(R .S. Agarwala)
Partner
Membership No.05534

Place : Hyderabad
Date : 27th April 2015

Annexure to the Independent Auditors' Report of even date to the members of Gati-Kintetsu Express Private Limited, on the Financial Statement for the year ended 31st March 2015.

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the company and taking into consideration the information and explanations given to us and the books of account other records examined by us in the normal course of audit, we report that:

1. a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
b) We are informed that a test of physical verification of these assets was carried out by the management during the period and no material discrepancies were noticed. In our Opinion, the frequency of verification of Fixed Assets is reasonable having regards to the size of the Company and nature of its assets.
2. The company has no inventory, accordingly, the provision of clause 3(ii) of the companies (Auditor's Report) Order, 2015 are not applicable to the Company.
3. The Company has not granted or taken any loans secured or unsecured to/from Companies, firms or other parties covered in the register maintained under section 189 of the Act. Accordingly the provision of Clause 3(iii) (a) and 3(iii) (b) of the order are not applicable.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size and nature of the Company's business for the purchase of fixed assets and for the sale of services. During the course of our audit no major weakness has been noticed in the internal control system nor we have been informed of such instance.
5. The Company has not accepted any deposits from the public within the meaning of section 73 to 76 or other relevant provisions of the Act and rules framed there under (As amended). Accordingly the provision of Clause 3(v) of the order are not applicable.
6. The Central Government has not prescribed maintenance of cost records under sub-section (1) of section 148 of the Act in respect of any activities of the Company. Accordingly the provision of Clause 3(vi) of the order are not applicable
7. (a) According to the information and explanation given to us and records of the Company examined by us, in our opinion the Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, cess and any other statutory dues as applicable with the appropriate authority. Further no undisputed amount payable in respect thereof were outstanding at the year end for a period of more than six month from the date they become payable.
(b) According to the information and explanation given to us and the record of the company examined by us, there are no Statutory dues as at the year end which has not been deposited on account of a dispute.
(c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company in accordance with the relevant provision of the Act and rules frame thereunder. Accordingly the provision of Clause 3(vii)(c) of the order are not applicable
8. The Company no accumulated losses as at 31st March, 2015 and has not incurred any cash losses in the financial year ended on that date or the immediately preceding financial Period.
9. According to the records of the company examined by us and the information and explanations given to us, the company has not defaulted in repayment of dues to any financial institution or banks during the year.
10. In our opinion and according to the information and explanation given to us, the company has not given any guarantees for loans taken by others from banks or financial institutions.
11. In our opinion and according to the information & explanation given to us, on and overall basis the term loans have been applied for the purpose for which they were obtained.
12. 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 on or by the Company, noticed or reported during the year, nor we have been informed of such cases by the management.

For **R.S. Agarwala & Co.**

Chartered Accountants

Firm Regn No:-304045E

(R.S. Agarwala)

Partner

Membership No.05534

Place : Hyderabad

Date : 27th April 2015

BALANCE SHEET AS AT 31st March 2015

(₹ In Millions)

Particulars	Note	As at 31.03.2015	As at 31.03.2014
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	1	5.00	5.00
Reserves and Surplus	2	2,332.87	2,125.90
		2,337.87	2,130.90
Non-Current Liabilities			
Long Term Borrowings	3	293.06	386.01
Deferred Tax Liabilities (Net)	4	45.30	49.09
		338.36	435.10
Current Liabilities			
Short Term Borrowings	5	945.90	1,058.25
Trade Payables	6	634.00	500.43
Other Current Liabilities	7	562.15	564.13
Short Term Provisions	8	678.87	477.56
		2,820.92	2,600.37
Total		5,497.15	5,166.36
ASSETS			
Non - Current Assets			
Fixed Assets	9		
Tangible Assets		1,133.30	1,112.42
Intangible Assets		1,268.60	1,262.59
Capital Work in progress		11.64	11.57
Long Term Loans and Advances	10	273.73	237.79
		2,687.27	2,624.38
Current Assets			
Trade Receivables	11	2,047.47	1,866.35
Cash and Cash Equivalents	12	146.59	156.09
Short Term Loans and Advances	13	563.34	410.10
Other Current Assets	14	52.48	109.45
		2,809.88	2,541.98
		-	-
Total		5,497.15	5,166.36
The Notes form an integral part of these Financial Statements	I-22		

In terms of our Report of even date attached

For and on behalf of the Board

For **R. S. Agarwala & Co.**

Chartered Accountants

Firm's Regn. No. : 304045E

R. S. Agarwala

Partner

Membership No. : 05534

Sanjeev Kumar Jain

Director

DIN: 05325926

Mahendra Agarwal

Executive Chairman

DIN: 00179779

Place: Hyderabad

Date: April 27, 2015

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2015

(₹ In Millions)

PARTICULARS	Note	12 Months Ended 31st March, 2015	9 Months Ended 31st March, 2014
Revenue From Operations	15	11,387.10	7,823.26
Other Income	16	37.18	12.97
TOTAL		11,424.28	7,836.24
EXPENSES			
Operating Expenses	17	7,859.99	5,391.02
Employee Benefits Expenses	18	1,224.77	837.84
Finance Costs	19	235.46	183.88
Depreciation and Amortization Expense	20	180.92	89.20
Other Expenses	21	1,179.72	770.51
TOTAL		10,680.86	7,272.46
Profit Before Tax		743.42	563.77
Tax Expenses			
Current Tax		150.00	163.64
Deffered Tax		18.73	31.09
Profit for the year		574.69	369.05
Earning per Share Basic & Diluted (Rs.)		1,149.37	738.10
The Notes form an integral part of these Financial Statements	1-22		

In terms of our Report of even date attached

For and on behalf of the Board

For **R. S. Agarwala & Co.**
Chartered Accountants
Firm's Regn. No. : 304045E

R. S. Agarwala
Partner
Membership No. : 05534

Sanjeev Kumar Jain
Director
DIN: 05325926

Mahendra Agarwal
Executive Chairman
DIN: 00179779

Place: Hyderabad
Date: April 27, 2015

NOTES TO THE FINANCIAL STATEMENTS

(₹ In Millions)

	PARTICULARS	As at 31st Mar, 2015	As at 31st Mar, 2014
(1)	SHARE CAPITAL		
	Authorised		
	7,50,000 Equity Shares of Rs.10/- each	7.50	1.00
	(1,00,000 In previous year)		
	Issued,Subscribed and Paid-up :		
	5,00,000 Equity Shares of Rs.10/- each fully paid	5.00	5.00
	(50,000 In previous year)		

The company has only one class of equity shares having 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 is subject to the approval of the share holders, except in case of interim dividend. In the event of liquidation, the equity share holders are eligible to receive the remaining assets of the company, after distribution of all preferential amounts, in proportion of their share holding.

Reconciliation of the number of shares outstanding.

Particulars	As at Mar 31, 2015		As at Mar 31, 2014	
	No. of shares	Amount	No. of shares	Amount
Shares at the beginning of the year/ period	500,000	5.00	500,000	5.00
	-	-	-	-
Shares at the end of the year/ period	500,000	5.00	500,000	5.00

Shares held by holding company and their associates

Company Name	As at Mar 31, 2015		As at Mar 31, 2014	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Gati Limited	350,000	70.0	350,000	70.0
	350,000	70.00	350,000	70.00

Details of shareholders holding more than 5 % shares.

Name of Shareholders	As at Mar 31, 2015		As at Mar 31, 2014	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Gati Limited	350,000	70.0	350,000	70.0
Kintetsu World Express(S) Pte. Ltd.	130,000	26.0	130,000	26.0
	480,000	96.00	480,000	96.00

PARTICULARS	As at 31st Mar, 2015	As at 31st Mar, 2014
(2) RESERVES AND SURPLUS		
Securities Premium Reserve		
As per last Balance Sheet	1,783.60	1,783.60
	-	-
	1,783.60	1,783.60
General Reserve		
As per last Balance Sheet	70.51	33.61
Transfer from Statement of Profit and Loss during the year/period	57.50	36.91
	128.01	70.51
Surplus as per Statement of Profit & Loss		
As per last balance sheet	271.78	173.63
Add: Profit for the year/period	574.69	369.05
Less: Adjustment of assets where remaining useful life is nil net of deferred taxes as per Schedule II of the Companies Act, 2013	43.73	-
Proposed Dividend	120.00	100.00
Interim Dividend	150.00	100.00
Tax on Dividend	53.98	33.99
Transfer to General Reserve	57.50	36.91
	421.26	271.78
Total	2,332.87	2,125.90

NOTES TO THE FINANCIAL STATEMENTS

(₹ In Millions)

PARTICULARS	As at 31st Mar, 2015	As at 31st Mar, 2014
(3) LONG TERM BORROWINGS		
Secured		
Term Loans		
-From Banks (a)	593.45	659.59
-From Others	12.48	28.17
	605.93	687.76
Less: Current maturities of long term borrowings (Note 7)	312.87	301.75
	293.06	386.01
(a) Includes Vehicle loan Rs. 9,26,96,363/- previous year Rs. 9,79,31,569/-)		
	Secured to the Extent	
Particulars of Nature of Security	As at 31st Mar, 2015	As at 31st Mar, 2014
Term Loans		
From Bank		
Property at Peenya, Bangalore. Subservient Charge on the current and fixed assets of the company with coverage up to 100% of the loan amount.	463.23	381.46
Exclusive charge on entire movable fixed assets, specifically on plant & machinery, computers, furniture and fixtures, office equipments and immovable properties situated at Allahabad & Chennai.	-	180.20
"Exclusive charge on Land & warehouse situated in Binola, Haryana (Property of Holding Company)"	50.00	-
Hypothecation of Trucks & Vehicles	80.22	97.93
From Others		
Trucks and Cars acquired thereagainst.	12.48	28.17
	605.93	687.76
(4) DEFERRED TAX LIABILITY/ASSETS		
Difference between book and tax depreciation	56.13	62.70
Disallowance under the provisions of Income Tax Act	(10.83)	(13.61)
	45.30	49.09
(5) SHORT TERM BORROWINGS		
Secured		
Working Capital Loans		
From Banks	945.90	958.25
	-	-
Unsecured		
From Banks	-	-
	-	100.00
	945.90	1,058.25
Other Information pertaining to Nature of Security		
a) Working Capital Loans are secured by hypothecation of book debts and other current assets of the company on paripasu basis with all constorium banks as primary security.		
b) Personal guarantee of the promoter of Holding Company Mr. Mahendra Agarwal, Corporate guarantee along with immovable properties as collateral.		
(6) TRADE PAYABLES		
Acceptances (a)	181.88	199.94
Other than acceptances	452.12	300.49
"(a) Under vendor financing/discounting arrangements with the company's bankers on payment of interest and furnishing of Holding Co's corporate guarantee."		
	634.00	500.43

NOTES TO THE FINANCIAL STATEMENTS

(₹ in Millions)

PARTICULARS	As at 31st Mar, 2015	As at 31st Mar, 2014
(7) OTHER CURRENT LIABILITIES		
Current Maturities of Long Term Borrowings (Note 3)		
- From Bank	304.61	285.92
- From Others	8.26	5.83
	312.87	301.75
- Statutory Dues	22.42	39.36
- Security Deposits	110.81	80.60
- Others liabilities	116.05	142.42
	562.15	564.13
(8) SHORT TERM PROVISIONS		
Provision for Employee Benefits	74.49	50.43
Provision Dividend	120.00	100.00
Others		
Taxation	460.39	310.14
Tax on Dividend	23.99	17.00
	678.87	477.56
(10) LONG TERM LOANS AND ADVANCES		
Unsecured		
Capital Advances		
Considered Good	13.94	6.04
Considered Doubtfull	5.90	5.90
	19.84	11.94
Less: Provision for Doubtful Advances	5.90	5.90
	13.94	6.04
Rent Deposit with Holding Company	60.61	58.34
Advances and Deposit with others	199.18	173.42
	273.73	237.79
(11) TRADE RECEIVABLES		
Unsecured		
Debt outstanding for more than six months - from the due date		
Considered Good	25.85	17.17
Considered Doubtful	25.85	1.46
	51.70	18.64
Less : Provision for doubtful bebts	25.85	1.46
	25.85	17.17
Others	2,021.62	1,849.18
	2,047.47	1,866.35
(12) CASH AND CASH EQUIVALENT		
Cash in Hand	14.75	6.21
Balances with Banks		
In Current Accounts	9.07	27.17
In Deposit Accounts	122.77	122.71
	146.59	156.09
(13) SHORT TERM LOANS AND ADVANCES		
Unsecured and Considered Good		
Cenvat Credit Receivable	6.70	7.01
Operational Advances	73.46	93.38
Loans and Advances to employees	2.44	2.13
Tax Deducted at Source	359.34	222.90
Advance payment of Taxes	115.00	80.00
Interest Receivable	6.40	4.69
	563.34	410.10
(14) OTHER CURRENT ASSETS		
Due from Holding Company	11.24	74.85
Others	41.24	34.60
	52.48	109.45

In the opinion of the Board, assets other than fixed assets and non- current investments have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated.

NOTES TO THE FINANCIAL STATEMENTS

9) Fixed Assets		(₹ in Millions)									
Description	As At 01.04.2014	Gross Block			Depreciation				Net Carrying Value		
		As At 01.04.2014	Addition During the Year	Deductions During the year	As At 31.03.2015	Up to 31.03.2014	For the Year	Adjustment on Deduction	Other Adjust- ment(b)	Total Depre- ciation	31.03.2015 30.03.2014
TANGIBLE											
Land - Freehold	49.97	-	-	-	49.97	-	-	-	-	-	49.97 49.97
Buildings	453.00	-	-	-	453.00	15.59	8.00	-	-	23.59	429.41 437.40
Vehicles	269.35	47.72	24.37	24.37	292.70	80.15	35.81	11.98	1.34	105.31	187.38 189.19
Plant & Machinery	163.55	72.94	3.59	3.59	232.90	19.48	28.50	0.70	1.33	48.61	184.29 144.07
Computers	126.41	105.99	2.05	2.05	230.35	40.09	44.23	2.05	8.79	91.06	139.69 86.32
Furniture & Fittings	132.43	36.22	0.71	0.71	167.94	24.59	29.47	0.70	3.51	56.87	111.46 107.84
Office Equipments	112.76	12.58	0.57	0.57	124.76	15.14	26.77	0.32	51.28	92.86	31.90 97.62
	1,307.46	275.44	31.29	31.29	1,551.61	195.04	172.77	15.75	66.25	418.31	1,134.10 1,112.42
INTANGIBLE											
Computer Software	34.25	14.16	-	-	48.41	22.25	8.15	-	-	30.40	18.01 12.00
Goodwill (a)	1,250.59	-	-	-	1,250.59	-	-	-	-	-	1,250.59 1,250.59
	1,284.83	14.16	-	-	1,299.00	22.25	8.15	-	-	30.40	1,268.60 1,262.59
	2,592.29	289.60	31.29	31.29	2,850.60	217.28	180.92	15.75	66.25	448.70	2,402.70 2,375.01
Capital Work in Progress											
Total										Total	11.64 11.57
Previous Year	2,507.62	91.67	7.00	7.00	2,592.29	132.42	89.20	4.34		217.28	2,386.58 -

(a) Goodwill represents excess of value of liabilities over value of assets acquired as per Business Transfer Agreement in the year 2011-12 In the Management's view the amount of Goodwill has a commensurate value and no amortisation is required at this stage.

(b) Adjustment of depreciation as per Schedule II to the Companies Act 2013.

NOTES TO THE FINANCIAL STATEMENTS

(₹ in Millions)

PARTICULARS	12 Months Ended 31st March, 2015	9 Months Ended 31st March, 2014
(15) REVENUE FROM OPERATIONS		
Freight, Demurrage and Miscellaneous charges (Including from Holding Company Rs. 319.41 Previous period Rs.146.74	11,032.14	7,612.04
Logistics and other services	270.53	142.81
Other Operating Income	84.43	68.42
	11,387.10	7,823.26
(16) OTHER INCOME		
Interest	13.50	8.29
Profit on sale of fixed asset (Net)	6.16	4.68
Rental Income (Including from Holding Company Rs.17.51 Previous period Rs. Nil)	17.52	-
	37.18	12.97
(17) OPERATING EXPENSES		
Freight (Including to Holding Company Rs.3.85 Previous period Rs.1.55	6,872.76	4,633.21
Vehicles' trip expenses	457.38	400.22
Vehicles' taxes	8.83	4.51
Vehicles' Insurance	3.98	3.57
Tyres and Tubes	13.48	11.25
Warehouse rent	79.12	58.72
Other Operating Expenses	362.71	226.62
Claims for Loss & Damages (Net)	61.74	52.91
	7,859.99	5,391.02
(18) EMPLOYEE BENEFIT EXPENSES		
Salaries, Wages and Bonus (a) (Including to Holding Company Rs. 22.31 Previous period Rs. 10.19	1,126.45	766.35
Gratuity	27.37	16.84
Contribution to Provident and Other Funds	36.79	25.59
Contribution to Employees' State Insurance	6.39	5.68
Other Expenses	27.77	23.37
(a) Includes Remuneration to Managing/Whole-time Directors Rs. 42.27 previous period Rs. 28.25		
(b) Paid to Holding Company		
i) Including Rs. 0.29 towards Employees Stock Option Scheme, Previous period Rs. 6.33		
ii) Including Rs.22.31 as management fees, previous period Rs. 10.19		
	1,224.77	837.84
(19) FINANCE COST		
Interest Expense	230.22	179.13
Other Borrowing Costs	5.24	4.75
	235.46	183.88
(20) DEPRECIATION AND AMORTISATION EXPENSE		
Depreciation for the Year/ Period	180.92	89.20
	180.92	89.20

NOTES TO THE FINANCIAL STATEMENTS

(₹ in Millions)

PARTICULARS	12 Months Ended 31st March, 2015	9 Months Ended 31st March, 2014
(21) OTHER EXPENSES		
ADMINISTRATIVE EXPENSES		
Rent	392.35	221.20
(Including to Holding Company Rs.28.30 Previous period Rs. Nil)		
Rates and Taxes	9.40	9.96
Insurance	11.45	9.04
Telephone expenses	32.02	21.91
Printing and Stationery	33.30	21.60
Travelling expenses	72.24	43.05
Legal expenses	5.50	4.00
Advertisement Expenses	44.36	27.91
Office Maintenance and Repairs	180.37	105.15
Electricity Expenses	89.31	60.30
Automation Network Expenses	37.87	24.64
Miscellaneous Expenses	162.51	122.02
Directors' Sitting fees	0.64	0.18
Commission to Non-Whole-Time Directors	1.30	0.65
Remuneration to Auditors:	-	-
Audit Fees	1.20	1.20
Tax Audit Fees	0.80	0.80
Bad Debts and irrecoverable balances written off (Net)	45.95	34.80
(Includes provision for doubtful debts Rs. 24.39 Previous period Rs. 4.86)	-	-
Charity and Donations	8.14	6.28
	1,128.71	714.69
REPAIRS & MAINTENANCE		
Motor Trucks	3.17	10.84
Other Vehicles	11.47	9.00
Plant and Equipments	4.49	3.97
Buildings	0.32	0.04
Computers	31.56	31.97
	51.01	55.82
	1,179.72	770.51

NOTES TO THE FINANCIAL STATEMENTS

(₹ in Millions)

22)		
Particulars	As at March 31, 2015	As at March 31, 2014
a) Contingent Liability not provided for in respect of Bank Guarantees Estimated amount of contracts remaining to be executed on capital account and not provided for.	43.45 - 1.20	30.85 - 27.35
b) Earning per share	As at March 31, 2015	As at March 31, 2014
(i) Net profit after tax available for equity shareholders - for Basic and Diluted EPS	574.69	369.05
(ii) Weighted average no. of ordinary shares for Basic EPS (Nos.)	500,000	500,000
Weighted average no. of ordinary shares for Diluted EPS (Nos.)	500,000	500,000
(iii) Nominal value of Ordinary Shares (Rs.)	10.00	10.00
(iv) Basic Earning per Ordinary Share (Rs.)	1,149.37	738.10
(v) Diluted Earning per Ordinary Share (Rs.)	1,149.37	738.10
c) Related Party Disclosures Related parties with whom transactions have taken place during the period.		
i. Directors / Key Management Personnel: Mr. Mahendra Agarwal (Executive Chairman) Mr Bala Aghoramurthy (Whole Time Director) Mr. Dhruv Agarwal (Relative of Director)		
ii. Holding Company GATI Limited		
iii. Entities in which Significant Control Exists <ol style="list-style-type: none"> 1. TCI Finance Ltd. 2. Mahendra Kumar Agarwal & Sons (HUF) 3. Giri Roadlines & Commercials & Trading Pvt. Ltd. 4. TCI Hi-ways Pvt. Ltd. 5. Gati Academy 		
iv. Entities with Common Director <ol style="list-style-type: none"> 1. Kintetsu World Express (India) Pvt. Ltd. 2. TCI Telenet Solutions Pvt Ltd 3. Share India 		
v. Fellow Subsidiaries <ol style="list-style-type: none"> 1. Gati Kausar India Ltd. 2. Gati Import Export Trading Ltd. 		

NOTES TO THE FINANCIAL STATEMENTS

(₹ in Millions)

Sl	Nature of Transaction	Key Management Personnel & Relatives	Significant Control	Entities with Common Director	Holding and its subsidiaries	As at Mar 31, 2015	As at Mar 31, 2014
i	Expenditure						
	Rent	-	5.81	2.70	28.30	36.81	4.77
	Remuneration	43.36	-	-	-	43.36	28.73
	Fuel Expenses	-	-	-	3.85	3.85	1.55
	Freight Expenses	-	65.73	-	4.65	70.38	78.23
	Management Fees	-	-	-	22.31	22.31	27.67
	Manpower Exp	-	104.18	-	-	104.18	-
	Donation	-	-	3.60	-	3.60	0.50
	Employees Compensation Cost	-	-	-	0.29	0.29	6.33
ii	Income	-	-	-	-	-	-
	Freight	-	-	44.03	330.24	374.27	122.82
	Warehouse Income	-	-	17.49	29.04	46.53	-
iii	Dividend Paid	-	65.00	10.00	175.00	25.0	70.00
iv	Balance at the year end	-	-	-	-	-	-
	Sundry Debtors	-	-	14.78	181.53	196.31	216.76
	Other Receivable	-	-	1.80	60.61	62.41	157.63
	Other Payable	-	-	-	-	-	7.45
	Sundry Creditors	-	4.42	-	0.77	5.19	4.70

d) Segment Information

During the period company has only one reportable segment i.e. Express Distribution and Supply Chain in accordance with the requirement of Accounting Standard 17 (AS17).

	As at March 31, 2015	As at March 31, 2014
e) Additional Information pursuant to the Provisions of Paragraph 3 & 4 of Part II of Schedule VI to the Companies Act, 1956.		
I. Expenditure in Foreign Currency		
Travelling Expenses	9.54	6.96

f) The Company has changed its Accounting Year to commence from 1st April and to end on 31st March every year. Consequent to this, the previous accounting period is for nine months period from July 1, 2013 to March 31, 2014 whereas the current year is from Apr 1, 2014 to Mar 31, 2015. Hence to this extent the figures of the current year are not comparable to those of the previous period.

g) Significant Accounting Policies

Recognition of Income & Expenditure

- Income and expenditure are generally recognised on accrual basis in accordance with the applicable accounting standards and provision is made for all known losses and liabilities.
- Freight Income is accounted when goods are delivered by the Company to customers.
- Freight expenses are accounted when hired vehicles deliver goods to the Company at destination.
- Having regard to the size of operations and the nature and complexities of the company's business, freight received/ paid in advance is accounted as income/expenses on payment.
- Year-end liability in respect of claims for loss and damages is provided as calculated by claims recovery agents.

Gratuity and Leave Encashment

A provision for gratuity liability to employees is made on the basis of actuarial valuation and paid to the approved Gratuity Fund and a provision for leave encashment is made on the basis of actuarial valuation.

Provident Fund

Provident fund contribution is remitted to appropriate authority.

NOTES TO THE FINANCIAL STATEMENTS

Superannuation Fund

Superannuation fund contribution is remitted to approved trust fund.

Fixed Assets

Fixed assets are stated at cost. Cost includes borrowing cost and indirect expenditure capitalized to the extent it relates to the construction activity or incidental thereto.

Depreciation

- i. Depreciation is provided on straight line method at useful life specified in Schedule II to the Companies Act, 2013.
- ii. Depreciation on addition/deductions is calculated prorata from/to the date of addition/deduction. Individual assets whose actual cost does not exceed Rs.5,000/- are fully depreciated in the year of purchase.
- iii. During the year, in compliance with the requirement of Schedule II of the Companies Act which came into effect from 1st April 2014, the company has revised the useful life of its fixed Assets. In case of assets whose life has been completed as on 31st Mar 2014 the carrying value (net of deferred tax of Rs 225.17 Lacs) of the assets amounting to Rs. 662.45 Lacs has been adjusted with the opening balance of the retained earning i.e surplus in statement of Profit and Loss and depreciation for the year ended Mar 31st 2015 is higher by Rs.297.17 Lacs.

Foreign Exchange Transaction

All transactions in foreign currency are recorded at the rate of exchange prevailing on the date when the relevant transaction takes place.

Taxation

Income Tax

Provision for tax is made for both current and deferred taxes. Provision for current income tax is made on the current tax rates based on the working results of the year. The company provides for deferred tax based on the tax effect of timing differences resulting from the recognition of items in the accounts and in estimating its current tax provision.

The effect on deferred taxes of a change in tax rate is recognised in the year in which the change is effected.

Impairment of Assets

Impairment of Assets are assessed at each balance sheet date and loss is recognised whenever the recoverable amount of an asset is less than its carrying amount.

Signatures to Notes “I” to “22”

In terms of our Report of even date attached

For **R. S. Agarwala & Co.**
Chartered Accountants
Firm's Regn. No. : 304045E

R. S. Agarwala
Partner
Membership No. : 05534
Place: Hyderabad
Date: April 27, 2015

For and on behalf of Board

Sanjeev Kumar Jain
Director
DIN: 05325926

Mahendra Agarwal
Executive Chairman
DIN: 00179779

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2015		
PARTICULARS	As at March 31, 2015	As at March 31, 2014
(I) Cash flows from Operating Activities		
Net Profit After Tax	574.69	369.05
Add :	-	-
Provision for tax	168.73	194.72
Net profit before taxation and exceptional items	743.42	563.77
Adjustment for Non-Cash and Non-Operating Items.	-	-
Depreciation	180.92	89.20
Wealth Tax	0.25	-
Interest on borrowings (Net)	235.46	183.88
(Profit) / Loss on sale of fixed assets (Net)	(6.16)	(4.68)
Dividend Received	-	-
Interest Received	(13.50)	(8.29)
	-	-
Operating profits before working capital changes	1,140.39	823.89
	-	-
(Increase) / Decrease in Sundry debtors (Net of Bad debts)	(181.12)	(242.99)
(Increase) / Decrease in Other current Assets	56.97	38.90
(Increase) / Decrease in Loans & Advances	(118.24)	(116.04)
Increase / (Decrease) in Other Liabilities	(13.10)	(7.99)
Increase / (Decrease) in Trade payables	133.57	33.27
Increase / (Decrease) in Short term Provisions	24.06	6.61
Increase / (Decrease) in Short term Borrowings	(112.35)	(125.50)
	-	-
Cash generated from operations	930.18	410.14
(Income tax paid) Net tax refund received	(35.00)	(66.00)
	-	-
Net Cash from Operating Activities	895.18	344.14
	-	-
(II) Cash Flow from Investing Activities	-	-
(Increase) / Decrease in Capital WIP	(0.06)	(7.02)
Interest Received	13.50	8.29
(Purchase) / Sale of Fixed Assets (Net)	(267.90)	(84.33)
Increase in Capital Advances	(7.90)	3.09
Other Advances made	(28.04)	(79.44)
	-	-
Net Cash from Investing Activities	(290.40)	(159.41)
	-	-
(III) Cash Flow from Financing Activities	-	-
Receipt of Secured Loans	227.75	468.94
Payment of Secured Loans	(309.59)	(492.78)
Dividend Paid (including dividend tax)	(296.99)	(125.49)
Interest on loans paid	(235.45)	(183.88)
	-	-
Net Cash from Financing Activities	(614.28)	(333.21)
	-	-
Net Increase / (Decrease) in cash and cash equivalents (I + II + III)	(9.50)	(148.49)
	-	-
Cash and Cash equivalents in the beginning of the year/Period	156.09	304.57
Cash and Cash equivalents in the end of the year/Period	146.59	156.09
	-	-
Cash flow from Activities during the year/Period	(9.50)	148.49

Notes :

1. Cash flow statement has been prepared under the indirect method as set out in Accounting Standard -3 issued by the Institute of Chartered Accountants of India.
2. Previous year figures have been regrouped / reclassified, where ever necessary.

In terms of our Report of even date attached**For R. S. Agarwala & Co.**

Chartered Accountants

Firm's Regn. No. : 304045E

R. S. Agarwala

Partner

Membership No. : 05534

Place: Hyderabad

Date: April 27, 2015

For and on behalf of Board**Sanjeev Kumar Jain**

Director

DIN: 05325926

Mahendra Agarwal

Executive Chairman

DIN: 00179779

ATTENDANCE SLIP
Gati-Kintetsu Express Private Limited
CIN: U62200TG2007PTC056311

Reg. & Corp. Office: First floor, Plot no. 20, Survey no.12, Kothaguda, Kondapur, Hyderabad - 500 084.
 Email: investor.services@gati.com, Website: www.gatikwe.com, Tel:040 71204284, Fax:040 23112318

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL
 Joint shareholders may obtain slip at the venue of the meeting.

DP Id*		Folio No.	
Client Id*		No. of shares	

NAME AND ADDRESS OF THE SHAREHOLDER _____

I hereby record my presence at the 8th Annual General Meeting of the Company, to be held on 9.30 am at the registered office of the Company at First floor, Plot no. 20, Survey no.12, Kothaguda, Kondapur, Hyderabad - 500 084

*Applicable for investors holding shares in electronic form

Signature of Shareholder/proxy

PROXY FORM

Gati-Kintetsu Express Private Limited

CIN: U62200TG2007PTC056311

Reg. & Corp. Office: First floor, Plot no. 20, Survey no.12, Kothaguda, Kondapur, Hyderabad - 500 084.
 Email: investor.services@gati.com, Website: www.gatikwe.com, Tel:040 71204284, Fax:040 23112318

Name of the member (s):		E-mail Id:	
Registered address		Folio No/*Client id/*DP Id:	

I/We, being the member(s) of _____ shares of Gati-Kintetsu Express Private Limited, hereby appoint:

- 1) _____ of _____ having e-mail id _____ or failing him
 2) _____ of _____ having e-mail id _____ or failing him
 3) _____ of _____ having e-mail id _____

and whose signature(s) are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 8th Annual General Meeting of the Company, to be held on 9.30 am at the registered office of the Company at First floor, Plot no. 20, Survey no.12, Kothaguda, Kondapur, Hyderabad - 500 084 and at any adjournment thereof in respect of such resolutions as are indicated below:

**I wish my above proxy to vote in the manner as indicated in the box below:

	Resolutions	For	Against
Ordinary business:			
1.	Consider and adopt audited financial statements of the Company for the financial year ended March 31, 2015, the reports of the Board of Directors and Auditors thereon		
2.	Declaration of Final dividend		
3.	Re-appointment of Mr. Mahendra Agarwal who retire by rotation		
4.	Ratification of re-appointment of Statutory Auditor		
Special Business:			
5.	Appointment of Mr. Balasubramanian Aghoramurthy		
6.	Reappointment of Mr. Balasubramanian Aghoramurthy, President & Whole-time Director		
7.	Approval of limits under section 180(1)(c)		
8.	Approval under section 180(1)(a)		

affix
revenue
stamp

Signed this _____ day of _____ 2015

Signature of shareholder

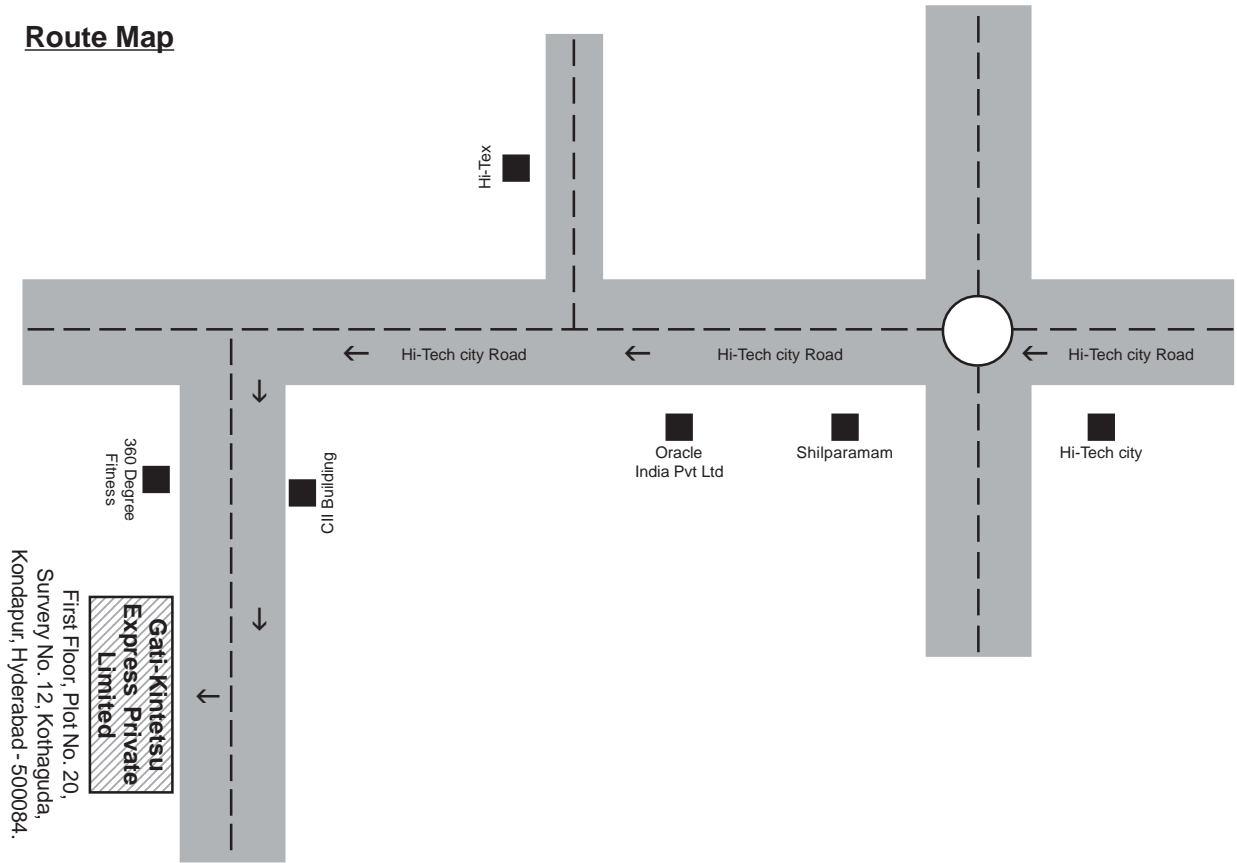
Signature of first proxy holder

Signature of second proxy holder

Signature of third proxy holder

Notes: (1) This form of proxy in order to be effective should be duly completed and deposited at the Registered office of the Company not less than 48 hours before the commencement of the meeting. (2) A Proxy need not to be a member of the Company.

Route Map



If undelivered please return to :

GATI KWE
Ahead in reach

Regd. & Corporate Office :

Gati-Kintetsu Express Private Limited

First Floor, Plot No. 20, Survey No. 12,
Kothaguda, Kondapur, Hyderabad - 500084.

Tel: +91 40 71204284, Fax: +91 40 23114318

e-mail: investor.services@gati.com

CIN: U62200TG2007PTC056311