



an allcargo company

TRANSFORMATION THROUGH INGENUITY
ТРАНСФОРМАЦІЯ ЧЕРЕЗ ІНГЕНІОСНІСТЬ

ANNUAL REPORT | 2020-21

Board of Directors

Mr. Shashi Kiran Shetty

Chairman and Managing Director

Mr. Nilesh Shivji Vikamsey

Additional Independent Director

Mr. P N Shukla

Independent Director

Mr. Yasuhiro Kaneda

Director

Mr. Kaiwan Kalyaniwalla

Director

Ms. Cynthia D'Souza

Independent Director

Mr. Dinesh Lal

Independent Director

Key Managerial Personnel

Mr. Shashi Kiran Shetty

Managing Director

Rohan Mittal

Chief Financial Officer &
Chief Transformation Officer

T.S. Maharani

Company Secretary &
Compliance Officer

Members of the Committees

Audit Committee

Mr. Nilesh Shivji Vikamsey, Chairman
Mr. Kaiwan Kalyaniwalla, Member
Mr. Dinesh Lal, Member

Nomination and Remuneration Committee

Mr. P N Shukla, Chairman
Mr. Kaiwan Kalyaniwalla, Member
Ms. Cynthia D'Souza, Member
Mr. Yasuhiro Kaneda, Member

Stakeholders Relationship Committee

Ms. Cynthia D'Souza, Chairperson
Mr. Yasuhiro Kaneda, Member
Mr. Kaiwan Kalyaniwalla, Member

Corporate Social Responsibility Committee

Mr. Kaiwan Kalyaniwalla, Chairman
Ms. Cynthia D'Souza, Member
Mr. Dinesh Lal, Member

Risk Management Committee

Mr. Nilesh Shivji Vikamsey, Chairman
Mr. Kaiwan Kalyaniwalla, Member
Mr. Rohan Mittal, Member

Auditors

M/s. Singhi & Co.
Chartered Accountants, Kolkata

Registered & Corp. Office

Plot no.20, Survey. no.12, Kothaguda,
Kondapur, Hyderabad – 500 084
Tel : 040 – 7120 4284
Fax: 040 – 2311 2318

Bankers

State Bank of India
DCB Bank Limited
Tata Motors Finance Solutions Limited
Syndicate Bank
Hero Fincorp Limited
Federal Bank Limited
Bank of Bahrain and Kuwait B.S.C
Kotak Mahindra Bank Limited
HDFC Bank Limited
The South Indian Bank Limited
IndusInd Bank Limited
Yes Bank Limited
Bank of Baroda
Axis Bank Limited

Registrar and Share Transfer Agents

Link Intime India Private Limited
Corporate Registry
Unit: Gati Limited
C - 101, 247 Park, L.B.S. Marg,
Vikhroli (West), Mumbai – 400 083
Maharashtra
Tel. No.: 18003454001
E-mail: rnt.helpdesk@linkintime.co.in
Website: www.linkintime.co.in

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CONSOLIDATED

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**Rely on our expertise,
experience and excellence.**

**Count on our customised,
customer-focused
solutions.**

**Believe in our endeavour
to sustain value creation.**

At Gati, we are perfectly poised to stay true to our intent of delivering value to all our stakeholders, while fostering strategic collaborations and creating synergies for growth.

With our legacy and capabilities, extensive domestic coverage, world-class facilities and digitally-enabled operations we offer end-to-end, integrated logistics solutions that exemplify reliability in India's dynamic and agile delivery landscape.

As an Allcargo Company, we can now tap into a global network operating in 180 countries and expand the scope of our services to include diverse logistics business verticals.

Our ability to meet diverse logistics needs, tailor services for a wide range of customers comprising individual households, SMEs and multinational corporations, and assure them of safe, timely deliveries makes us a preferred business partner.

We are committed to a model of performance that is scalable, adaptable and geared for business transformation that accelerates strategic progress and enables us to achieve extraordinary objectives.



With more than three decades of experience, Gati Limited (Gati), offers Express Distribution and Supply Chain Solutions to meet varied customer requirements. A commitment to facilitate our customers' business growth drives us to deliver customised solutions - designed to delight and ensure maximum satisfaction.

Incorporated in 1989 as an Express Distribution service provider, today, we have evolved to provide multiple services and solutions in logistics and distribution, to emerge as a market leader in varied segments. With a strong presence in the Asia Pacific region and SAARC countries, along with an extensive network across India, we offer services to 19,800 PIN Codes, covering 735 out of 739 districts in India, operating in more than 1,900+ scheduled routes. Our integrated multi-modal transportation network comprising air and road helps to ensure timely deliveries across the length and breadth of the country. Gati's pan-India warehousing facilities also play a crucial role in offering customised Supply Chain Solutions to customers across verticals. Our comprehensive portfolio also includes transportation solutions, E-commerce, and air freight.



Nationwide coverage:
735 out of **739**
districts covered



PIN Codes serviced:
19,800



Trucks:
5000+



Operating Centres:
600+



Access to a global network of
over **300** offices in **180** countries
as an Allcargo Company



MESSAGE FROM THE CHAIRMAN

Transformation: The key to unlocking new levels of potential

Dear Shareholders,

I am happy to share with you our company's performance highlights for the financial year FY2020-21.

It has been a year full of challenges that started with the impact of the global COVID-19 pandemic and ended with grappling an unprecedented second wave that caught the country off-guard.

But nevertheless, with logistics being one of the essential services, we have been resilient, held the fort and kept business going.

En-route to transformation

The dictionary defines transformation as - *a complete change in the appearance or character of something or someone, especially so that that thing or person is improved.*

At Gati, this is exactly what we have been pursuing for a little more than a year now. We are transforming at every level – in terms of business, people, technology and operations – all driven by just one simple objective - Grow sustainably while delivering excellence to our customers.

We are fostering a culture that lends itself well to embracing change and nurtures our ability to be agile and flexible.

Transformation to enable value-driven sustainable growth

Gati's transition into 'An Allcargo Company' has been one for the books. Team members from both organizations have been collaborating very effectively and customers stand to benefit immensely from the cross-selling of customised solutions that combine the strengths and expertise of both.

In October 2020, we have taken a landmark step by launching the Avvashya Vision, Mission and Values 2.0. With the remarkable ways in which digital transformation is disrupting industries and levelling the playing field for competition from diverse sources, our Vision, Mission and Values are the roadmap that will guide us to create logistics magic, worldwide.

Our transformation project – Project Avvashya – is moving in the right direction. Across the areas of Sales Acceleration, Operational Excellence, Technology and Processes, Quality, Talent and Organization as well as Cash and Overheads, the team is geared to surpass its performance in the coming months.

Not only have we internally restructured our teams at the zonal and business vertical level to reinforce strengths, but also strengthened the Gati Board with the inclusion of Allcargo's senior leaders and brought in talent from within and outside the industry to take us to the next level.

We believe that the safety, welfare and positive employee experiences are very important. It is a matter of great pride that for the second consecutive time, Gati has been declared a 'Great Place to Work' with an ever-highest score of 71. We aspire to a hat-trick of this recognition in the coming year with even better numbers in the high range of 80s.

Transformation in India's logistics industry

Whether it's ensuring supply and deliveries of medical and essential supplies or keeping the wheels of e-commerce turning so that people could

stay home and stay safe, the logistics industry has been at the forefront in current times.

Today, this USD 200 billion industry is set to grow at a CAGR of 10% and cross USD 300 billion in the next five years. Considering the various infrastructure investments on the anvil, the government's focus on reducing logistics cost and building a digital logistics ecosystem, the logistics sector is likely to open up various avenues with great potential.

The industry is going digital, and so are we. By optimizing operations, enhancing efficiencies across global and domestic supply chains, making it feasible for global businesses to explore India as a destination to diversify, etc. transformation in logistics is inevitable and we are ready for it.

Transformation in business performance

The Total Revenue for FY2020-21 stood at INR 1,324 crs as compared to INR 1,714 crs in FY2019-20.

A number of factors like disruption due to lockdowns and curfews to contain the spread of COVID-19, changing customer behaviour and consumption patterns, the organization's strategic decisions to focus on businesses that are our core expertise and exit non-core ones, a restructuring of assets, and many others have had an impact on revenue numbers in the short term.

Despite these fluctuations, overall, we have kept up our performance and emerged as a reliable partner offering safe, swift and timely deliveries to our customers. A key role has been played by our team members who have gone out of their way to deliver the best to our customers.

Considering the huge contribution of our warriors on the frontlines, working hard to keep business moving, we took a number of steps to ensure their physical and mental well-being and keep their morale high. Regular virtual interactions, engagement activities, a special COVID task force to assist with hospital and quarantine facilities if needed, we conducted. We transformed the way we

work and modified our operations to make sure not only our employees but even our drivers, handlers, equipment operators, customers entering our premises and all other stakeholders remained completely safe. All regulatory protocols right from temperature and oxygen checks to regular sanitization and social distancing were strictly implemented and continuous awareness carried out to reiterate their importance. Additionally, we also coordinated with our parent company Allcargo to help transport essential medical supplies for different state governments. Together, we made sure we emerged stronger. And now, we look ahead to a promising future.

Being one of India's premier express distribution companies, we are looking at enhancing our connectivity and reach that extends to every corner of the country with upcoming high-tech Surface Transshipment Centres (STC) that enable better operational efficiency, productivity and throughput. In collaboration with Allcargo, we are also offering last mile transportation to its CFS-ICD customers. We are also investing in new modern and state-of-the-art distribution centres across the country.

Our retail business transcended its month-on-month targets multiple times in the past year, and our next step would be to set new records and keep delivering on our promise. We have been exploring new digital tools for lead generation and leveraging social media to reach out to customers and potential partners and associates across the country.

SMEs, that have rightly been called the backbone of India's economy need specialised services and customizations owing to the size and nature of their operations. We have a team of experts to focus on these customers and be true partners in their growth and profitability while helping them to access newer markets and compete more effectively.

Gati's air freight services have taken a new flight of success with the launch of 'Gati Air.' With a complete overhaul, we have aligned our air freight

services to exceed customer expectations. Connectivity to all of India's commercial airports, tie-ups with leading airlines, a number of value-added services, restructuring the locations and connectivity of our Air Transit Centres (ATC) are all developments that bode well for our performance. Our aim is to make sure that customers who need time-urgent air freight deliveries within 24-48 hours, Think Air, Think Gati, every time.

Considering the boom in e-commerce in India, our end-to-end services have proved to be of significant advantage for customers. Effectively complementing the offerings of Avvashya CCI, Allcargo Logistics' contract logistics vertical, we have been able to create unmatched synergies in supply chain management solutions. As 'An Allcargo Company', we are in a position to serve even international retailers by leveraging a global network operating in 180 countries.

Operations excellence is critical to business performance. As part of our transformation, we have been effectively optimizing our network, streamlining processes to save costs and time, and striking the right balance between a holistic perspective and ground-level changes. Right from ensuring COVID-19 care and safety precautions to partnering the nation's safety initiatives and increasing awareness, our operations team has been helping us deliver excellence.

Transformation with technology at its forefront

Digital transformation is progressing speeds we have never seen before, accelerated even further by the global COVID-19 pandemic. Not only are businesses transforming supply chains to be more resilient and agile, even customers across multiple sectors are increasingly relying on technology for its speed, safety and convenience.

We, at Gati, aspire to be leaders and frontrunners in digitally-enabling the way we conduct business and delivering exceptional experiences to our customers. We have implemented a number of digital tools and technology to simplify processes

Enhancing efficiencies and increasing customer convenience are the main areas of focus for our adoption of digital tools and technology. With Gati Genie and our customer portal, customers can complete a number of activities like booking pick-ups and deliveries, tracking their cargo, checking PIN Code serviceability and lost more while just chatting on WhatsApp.

Overall, at an organizational level too, we look ahead to bringing about a mind-set shift and fostering a digital-first attitude. Our aim is that across business departments and functions, for all activities and operations, our team members think in the direction of how digitalization can be leveraged to be more effective and efficient.

for our teams and customers. An enterprise-wide digital software, internal IT systems, instant customer assistance through our WhatsApp chatbot – Genie, our website, customer portal, etc. are all attempts to leverage technology to do more and do better.

Our ambition is to be comparable with today's new-age companies and our people are committed to deliver this to our stakeholders.

Transformation to build formidable teams

Our teams are the reason behind our success, their efforts are like the wind beneath our wings, powering us to fly high and achieve even what's seemingly impossible. We believe in constant training and up-skilling team members because if

they reach new heights, Gati reaches new heights.

We also remain committed to taking care of our teams by providing medical consultation, counselling, assistance for vaccination, and more to help them stay safe and healthy.

Taking care, as we transform

Reducing our impact on the environment, encouraging acts of sustainability no matter how small, adhering to the highest standards of Environmental, Social and Corporate Governance (ESG) as well as Health, Safety, Security and Environment (HSSE) standards are some of our key actionable areas to grow sustainably and accelerate business.

Through our CSR initiatives we have been bringing joy, hope and smiles to numerous beneficiaries across the country by conducting inclusive welfare and development programmes in health, education, environment, women's empowerment, disaster relief and sports.

Transforming today, to gear up for tomorrow

India is transforming to emerge as a global trade destination. We, at Gati are transforming to contribute to this leap of faith by bolstering businesses with best-in-class integrated logistics.

Tomorrow holds exciting possibilities and with our futuristic, global perspective, we are ready to create digitally-enabled, logistics magic, worldwide.

Regards,



Shashi Kiran Shetty

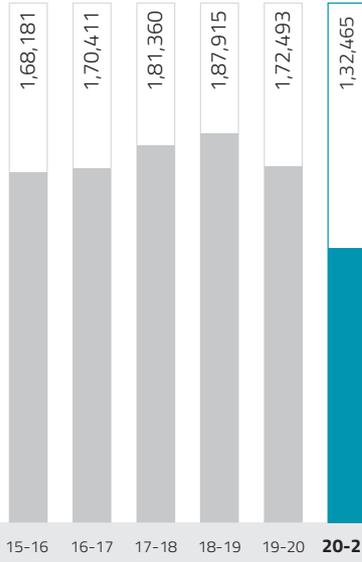
Chairman

FINANCIAL METRICS

(Consolidated)

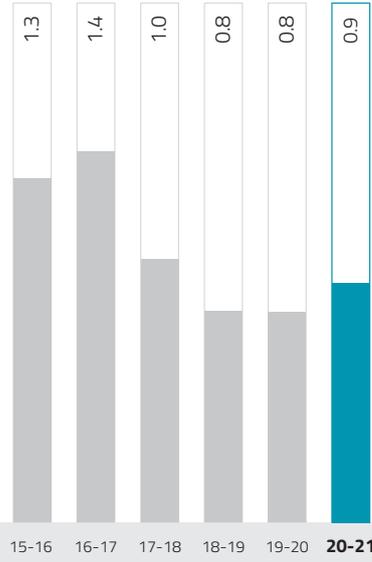
Total Income

(₹ in Lakhs)



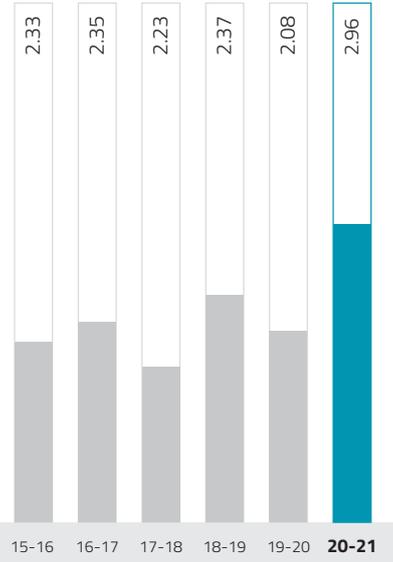
Current Ratio

(in times)



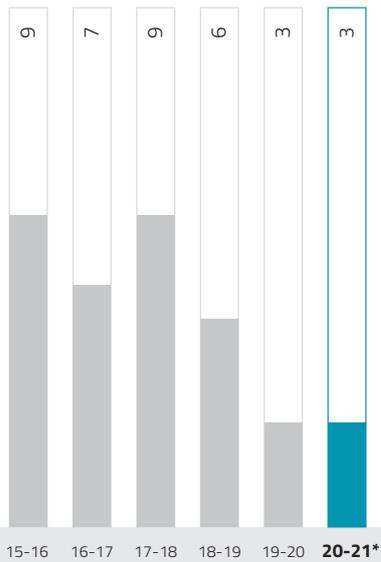
Turnover on Capital Employed

(in times)



EBITDA

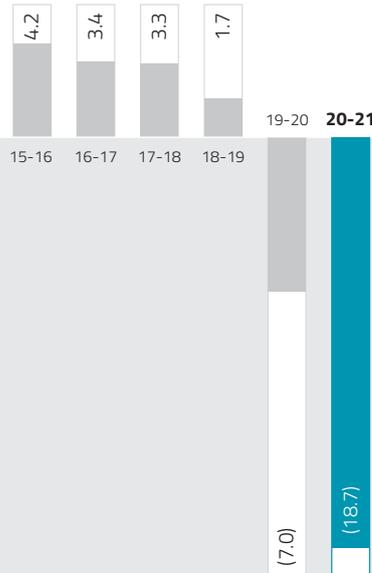
(%)



*Before Exceptional Item

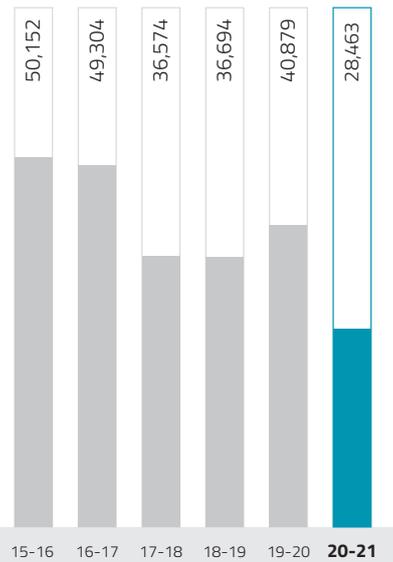
EPS

(₹)



Debt

(₹ in Lakhs)



BOARD OF DIRECTORS

Shashi Kiran Shetty
Chairman & Managing Director



Kaiwan Kalyaniwalla
Non-Executive &
Non-Independent Director

Yasuhiro Kaneda
Nominee Director



Cynthia D'Souza
Independent Director

P N Shukla
Independent Director



Dinesh Kumar Lal
Independent Director

Nilesh Shivji Vikamsey
Independent Director
(Appointed w.e.f. February 05, 2021)



For additional details scan the QR Code

Supply Chain
Management
Solutions

Express
Distribution

Air Freight

E-Commerce
Logistics

Our end-to-end logistics solutions are designed to offer multi-modal services across road and air to over 99% of the country's districts. And with over 500 pick-up points across India backed by our commitment to technology, Gati is today a preferred partner for end-to-end logistics across India owing to the reach, speed, convenience and reliability it offers its customers.

- ▶ Truly end-to-end services with road and air movement, warehousing, and supply chain management
- ▶ Dedicated call centre with 24x7 support
- ▶ Experience across industries

Gati-KWE's Express Distribution brings you its multi-modal deliveries that cover over 99% of the country's districts. You can choose and customise distribution services based on your needs. Whether you need to move parcels, freight or special cargo, our cost-effective and time-sensitive services have you covered.

Express Plus

A unique service that offers faster delivery compared to any average surface movement services. With direct route connectivity to major locations across India, you save on time and ensure safety for your shipments.

Express

A cost-effective surface cargo movement for shipments that have a time-definite delivery schedule.

Premium Plus

Specially designed service that promises delivery within 12 hours or before noon the next day, across all major ports in India.

Premium

A cost-effective service that assures delivery within 24 hours, 48 hours and more than 48 hours through our multi-modal network across metros and non-metros in India.

The Gati Express Distribution Advantage



Customised end-to-end logistics solutions



Unparalleled reach to over 99% of India's districts



State-of-the-art tracking services



Quick and trusted claim process



Over 5000 trucks



Over 600 offices



Reverse logistics expertise



On-time deliveries





With a commitment to safety and reliability Gati Air offers a dedicated air freight service built on over 30 years of logistics and supply chain experience, and expertise in moving your cargo across India's metros and non-metro cities alike. Our experience combined with our network and tie-ups with India's leading airlines, India's largest airline gives us an edge when it comes to safely and efficiently moving your cargo across India.



The Gati Air Advantage



Tie-ups with India's leading commercial airlines



Movement to urban and semi-urban cities



Expertise in moving cargo weighing more than 5kg



Cost-effective solutions



Guaranteed on-time delivery



Direct connection to 34 commercial airports across the country



Delivery within 24 to 48 hours

GATIair
Think Air. Think Gati



Our supply chain management solutions feature over 65 warehouses across the country, including 3 e-fulfilment centres that cater to sectors like e-Commerce, Hospitality, Healthcare and Electronics, among others. With each warehouse designed and built to meet global standards, our dedicated team of experts is backed by the latest in tools, technologies and processes designed for your advantage.

Shop floor automation

Sophisticated racking system and conveyor belts

World-class material handling

Technology-enabled warehouses

The Gati Supply Chain Management Solutions Advantage



Best-in-class Warehouse Management System



Integrated warehousing and distribution



Option of order and inventory-based models



Inventory and purchase order management



Customised solutions for multiple industries





E-COMMERCE LOGISTICS

Backed by robust express distribution, Gati's e-commerce logistics services can help you reach more than 99% of India's districts and offer seamless last-mile delivery solutions. Whether you serve enterprises or individuals, we have all your e-Commerce logistics needs covered.

The Gati e-Commerce Logistics Advantage



Value-added services like COD, card payments and more



Return to origin and Return to vendor services



Order consolidation and one-ship services



API-enabled real-time tracking and updates



Fulfilment centres - Shared and dedicated



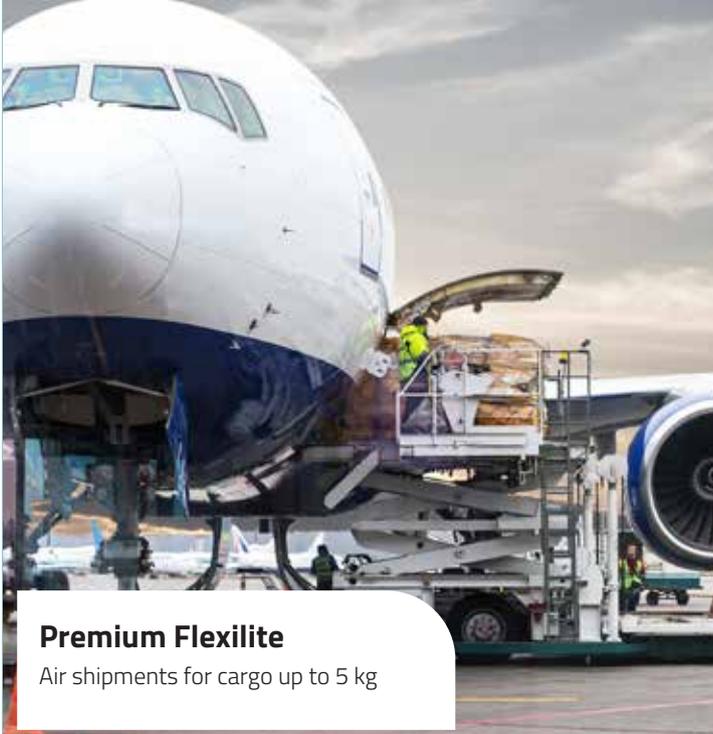
Unparalleled reach to over 19,800 PIN Codes



24x7 support



SPECIAL SERVICES



Premium Flexilite

Air shipments for cargo up to 5 kg



Laabh

Surface deliveries of cargo weighing up to 20 kg



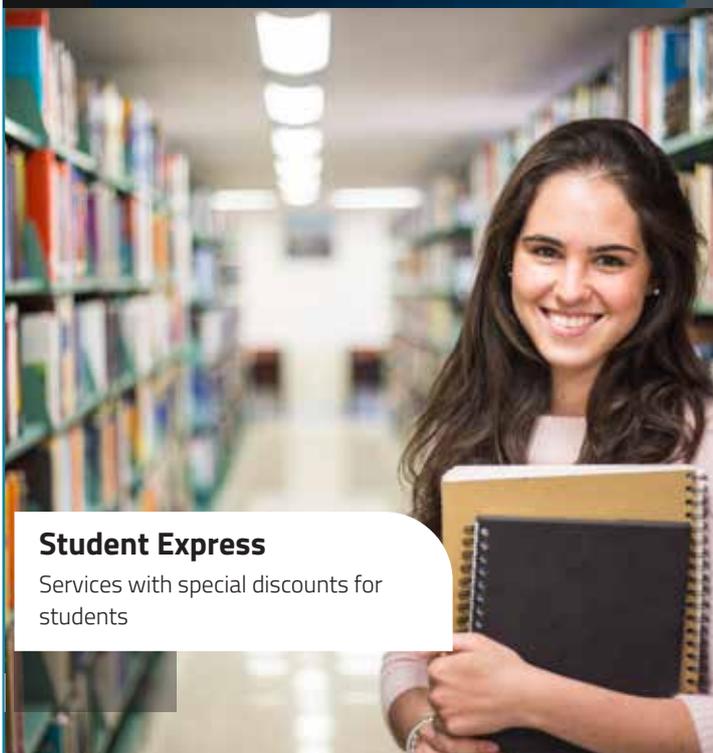
Surface Lite

Surface deliveries for cargo up to 3 kg



Art Express

Special services for moving your priceless art pieces



Student Express

Services with special discounts for students



Bike Express

Dedicated services to move your bikes



Education

Adopting government schools to facilitate infrastructure development, providing tools for enhanced learning and aiding a hygienic learning environment with a focus on activities that foster physical and mental wellbeing.



Rural Development Projects & Donations

Rural development is a dynamic process and we make significant contributions towards the improvement of economic & social infrastructure and aid medical research to improve rural health and skill development initiatives.



Environment

We recognize the importance of environmental sustainability to lay the foundations for a successful business. We ensure optimum utilization of natural resources to meet present needs without jeopardizing the supply of resources for future generations.



Community

We organize multiple welfare events to reach out to the marginalized sections of society. We strongly believe in creating awareness about healthcare and enabling sustainability within the community.

We take pride in our Corporate Social Responsibility (CSR) programs which are focused around uplifting and bringing a positive change in communities where we operate.

Our business is built on the foundation of sustained value creation for our stakeholders. As a result, we believe, it is not sufficient to concentrate solely on the bottom line. Instead, we recognize the importance of building and sustaining long-term reciprocal relationships with all our stakeholders. To maximize value creation for every stratum of society, our CSR activities are modelled around education, skill development, environment and disaster management during natural calamities.

We envision a community of responsible and educated citizens who are environmentally conscious and practice social responsibility in their daily lives to inspire others to do the same. We work towards operating in an economically, socially and environmentally responsible manner whilst balancing the interests of diverse stakeholders.

Gati Corporate Social Responsibility has always been at the forefront of worthy social causes, with the desire to serve society and fellow-beings integrated into its DNA. We came forward to shoulder the responsibility and jointly take up the fight against COVID-19. In order to work for this cause, on 11th April 2020, Gati's team organised distribution of 200 kits



(with 15 grocery items each), which could serve a family of four for one week, to migrant labourers and the needy from Uttar Pradesh, Bihar, Orissa, Jharkhand, Andhra Pradesh and Telangana, who had lost their

daily earnings due to the lockdown. The Telangana Cyberabad Police supported the team and the beneficiaries during the distribution. The logistics support was provided by EDC HYDN.



The company also sponsored a disinfection and sanitization drive for the vehicular fleet of the police of the Rachakonda Commissionerate. Disinfecting and sanitizing the police vehicles is of paramount importance in the current circumstances caused



due to COVID-19 as the police force is one of the few groups, alongside healthcare and essential workers, who are deployed at the frontlines and are at high risk of infection. By keeping the police vehicles disinfected, the chances of their

vulnerability for infection can be reduced, hence, great emphasis has been put on this matter. The drive happened over the course of 3 days, from 30th June to 2nd July 2020, where 436 four-wheelers and 500 two-wheelers of the police fleet were meticulously sanitized, using latest technology

where no harmful chemicals were used, by the skilled personnel of Craft Detailing Services, who were associated with us for this event. The aim of this drive was to ensure safety and security of our frontline warriors as they fight against the COVID-19 pandemic.



Notice

NOTICE is hereby given that the 26th (Twenty Sixth) Annual General Meeting of the Members of Gati Limited (CIN: L63011TG1995PLC020121) will be held on **Wednesday, September 22, 2021 at 3:00 P.M.** through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM") for which purpose the Registered office of the Company situated at Plot No. 20, Survey No. 12, Kothaguda, Kondapur, Hyderabad, Telangana – 500084 shall be deemed as the venue for the Meeting and the proceedings of the Annual General Meeting shall be deemed to be made thereat, to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited financial statements of the Company for the financial year ended March 31, 2021 and the Reports of the Board of Directors and Auditors thereon and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT the audited financial statements of the Company for the financial year ended March 31, 2021 and the reports of the Board of Directors and Auditors thereon laid before this meeting, be and are hereby considered and adopted."

2. To receive, consider and adopt the audited consolidated financial statements of the Company for the financial year ended March 31, 2021 and the Report of the Auditors thereon and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT the audited consolidated financial statements of the Company for the financial year ended March 31, 2021 and the report of Auditors thereon laid before this meeting, be and are hereby considered and adopted."

3. To appoint a Director in place of Mr. Kaiwan Kalyaniwalla (**DIN: 00060776**), who retires by rotation and, being eligible, offers himself for re-appointment and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, Mr. Kaiwan Kalyaniwalla (**DIN: 00060776**), who retires by rotation at this meeting be and is hereby re-appointed as a Director of the Company, liable to retire by rotation."

SPECIAL BUSINESS:

4. Appointment of Branch Auditor

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 143(8) and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") (including any statutory modification or re-enactment thereof for the time being in force) and the Rules made thereunder, and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, the Board of Directors be and is hereby authorized to appoint Branch Auditor(s) for any branch office of the Company for the financial year 2021-22, whether existing or which may be opened / acquired hereafter, outside India, in consultation with the Company's Auditors, any person(s) qualified to act as Branch Auditors within the provisions of Section 143(8) of the Act and to fix their remuneration."

5. Appointment of Mr. Nilesh Shivji Vikamsey (DIN: 00031213) as an Independent Director of the Company

To consider and if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Rules framed thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and based on the recommendation of the Nomination & Remuneration Committee and the Board of Directors of the Company, Mr. Nilesh Shivji Vikamsey (DIN: 00031213), who was appointed as an Additional Director of the Company with effect from February 05, 2021 under Section 161 of the Act and who holds office up to the date of this Annual General Meeting and who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a term of 5 years commencing from February 05, 2021."

"RESOLVED FURTHER THAT the Board of Directors and/or the Company Secretary be and are hereby severally authorized to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution."

By order of the Board of Directors
for **Gati Limited**

T.S. Maharani
(Company Secretary & Compliance Officer)
Membership No: F8069

Place: Hyderabad
Date: May 25, 2021

Registered & Corporate Office:

Plot No.20, Survey No.12,
Kothaguda, Kondapur, Hyderabad- 500 084
Tel: +91 040-7120 4284, Fax: +91 040-2311 2318
CIN: L63011TG1995PLC020121
Website: www.gati.com
Email: investor.services@gati.com

NOTES:

1. In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs ("MCA"), vide its General Circular No. 20/2020 dated May 05, 2020 read with General Circular No. 14/2020 dated April 08, 2020 and General Circular No. 17/2020 dated April 13, 2020 (collectively referred to as "MCA Circulars") and other applicable circulars issued by the Securities and Exchange Board of India ("SEBI"), has allowed the Companies to conduct the Annual General Meeting ("AGM") through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM") during the calendar year 2020. Further, the MCA vide its General Circular No. 02/2021 dated January 13, 2021 and SEBI vide its Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 extended the above exemptions till December 31, 2021. The Registered office of the Company situated at Plot No. 20, Survey No. 12, Kothaguda, Kondapur, Hyderabad, Telangana – 500084 shall be deemed as the venue for the Meeting and the proceedings of the AGM shall be deemed to be made thereat.
2. PURSUANT TO THE PROVISIONS OF THE ACT, A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS/HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. SINCE THIS AGM IS BEING HELD PURSUANT TO THE MCA CIRCULARS THROUGH VC/OAVM, THE REQUIREMENT OF PHYSICAL ATTENDANCE OF MEMBERS HAS BEEN DISPENSED WITH. ACCORDINGLY, IN TERMS OF THE MCA CIRCULARS AND THE SEBI CIRCULARS, THE FACILITY FOR APPOINTMENT OF PROXIES BY THE MEMBERS WILL NOT BE AVAILABLE FOR THIS AGM AND HENCE THE PROXY FORM, ATTENDANCE SLIP AND ROUTE MAP OF THE AGM VENUE ARE NOT ANNEXED TO THIS NOTICE.
3. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
4. All the Members of the Company including retail individual investors, institutional investors, etc. are encouraged to attend the AGM through VC/OAVM mode and vote electronically. Corporate members intending to appoint their authorised representatives to attend and participate at the AGM, are requested to send to the Company, a certified copy (in PDF/ JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutinizer at pjandcofirm@gmail.com with a copy marked to evoting@nsdl.co.in.
5. The Members can join the AGM in the VC/OAVM mode 15 minutes before the scheduled time of the commencement of the Meeting on first-come first-served basis by following the procedure mentioned in the Notice. The Members will be able to view the proceedings on the National Securities Depository Limited's ("NSDL") e-Voting website at www.evoting.nsdl.com. The facility of participation at the AGM through VC/OAVM will be made available for 1,000 Members on a first come first served basis as per the MCA Circulars. The detailed instructions for joining the Meeting through VC/OAVM form part of the Notes to this Notice.
6. The Board of Directors have considered and decided to include the Item No. 4 and 5 given above as Special Business in the forthcoming AGM, as they are unavoidable in nature.
7. In compliance with the aforementioned MCA and SEBI Circulars, Notice of the AGM along with the Annual Report 2020-21 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depository Participant. Members may note that the Notice and Annual Report 2020-21 will also be available on the Company's website www.gati.com, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of the National Securities Depository Limited ("NSDL") a service provider for voting through remote e-Voting, for participation in the 26th AGM through VC/OAVM facility and e-Voting during the 26th AGM at <https://www.evoting.nsdl.com/>.
8. The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("the Act") setting out material facts concerning the business under Item No. 4 and 5 of the Notice, is annexed hereto. The relevant details, pursuant to Regulations 26(4) and 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Directors seeking appointment/re-appointment at this AGM are also annexed.
9. Instructions for e-Voting and joining the AGM are as follows:
 - A. **VOTING THROUGH ELECTRONIC MEANS**
 - i. In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, Regulation 44 of the SEBI Listing Regulations and in terms of SEBI vide circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 in relation to e-Voting Facility Provided by Listed Entities, the Members are provided with the facility to cast their vote electronically, through the e-Voting services provided by NSDL, on all the resolutions set forth in this Notice. The instructions for e-Voting are given herein below.
 - ii. **The remote e-Voting period commences on Saturday, September 18, 2021 (9:00 a.m. IST) and ends on Tuesday, September 21, 2021 (5:00 p.m. IST). During this period, Members holding shares either in physical form or in dematerialized form, as on Wednesday, September 15, 2021 i.e. cut-off date, may cast their**

vote electronically. The e-Voting module shall be disabled by NSDL for voting thereafter. Members have the option to cast their vote on any of the resolutions using the remote e-Voting facility either during the period commences September 18, 2021 to September 21, 2021 or e-Voting during the AGM.

- iii. The Members who have cast their vote by remote e-Voting prior to the AGM may attend / participate in the AGM through VC / OAVM but shall not be entitled to cast their vote on such resolution again.
- iv. The Board of Directors have appointed M/s. Puttaparthi Jagannatham & Co. Company Secretaries, Hyderabad, as Scrutinizer for conducting the e-voting process and voting process at the time of the meeting in a fair and transparent manner.
- v. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date.
- vi. Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at evoting@nsdl.co.in. However, if he / she is already registered with NSDL for remote e-Voting then he /she can use his / her existing User ID and password for casting the vote.

In case of Individual Shareholders holding securities in demat mode and who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off

date may follow steps mentioned below under **“Login method for remote e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.”**

- vii. The details of the process and manner for remote e-Voting are explained herein below:

Step 1: Access to NSDL e-Voting system

Step 2: Cast your vote electronically and join virtual meeting on NSDL e-Voting system.

Details on Step 1 are mentioned below:

- I. **Login method for remote e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**

Pursuant to SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on “e-Voting facility provided by Listed Companies”, e-Voting process has been enabled to all the individual demat account holders, by way of single login credential, through their demat accounts / websites of Depositories / DPs in order to increase the efficiency of the voting process. Individual demat account holders would be able to cast their vote without having to register again with the e-Voting service provider (ESP) thereby not only facilitating seamless authentication but also ease and convenience of participating in e-Voting process.

Shareholders are advised to update their mobile number and e-mail ID with their DPs in order to access e-Voting facility.

Type of Shareholders	Login Method
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Individual Shareholders holding securities in demat mode with NSDL	<p>A. NSDL IDEAS facility</p> <p>If you are already registered, follow the below steps:</p> <ol style="list-style-type: none"> 1. Visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com/ either on a Personal Computer or on a mobile. 2. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under “IDEAS” section. 3. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. 4. Click on “Access to e-Voting” appearing on the left hand side under e-Voting services and you will be able to see e-Voting page. 5. Click on options available against company name or e-Voting service provider - NSDL and you will be re-directed to NSDL e-Voting website for casting your vote during the remote e-Voting period or joining virtual meeting and e-Voting during the meeting. <p>If you are not registered, follow the below steps:</p> <ol style="list-style-type: none"> 1. Option to register is available at https://eservices.nsdl.com. 2. Select “Register Online for IDEAS” Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3. Please follow steps given in points 1-5.
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Type of Shareholders	Login Method
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B. e-Voting website of NSDL

1. Open web browser by typing the following URL: <https://www.evoting.nsd.com/> either on a personal computer or on a mobile phone.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/ Member' section.
3. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password / OTP and a Verification Code as shown on the screen.
4. After successful authentication, you will be redirected to NSDL website wherein you can see e-Voting page. Click on options available against company name or e-Voting service provider - NSDL and you will be redirected to e-Voting website of **NSDL** for casting your vote during the remote e-Voting period or joining virtual meeting and e-Voting during the meeting.

Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> 1. Existing users who have opted for Easi / Easiest, can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest is https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. 2. After successful login of Easi / Easiest the user will be also able to see the e-Voting Menu. The Menu will have links of ESP i.e. NSDL portal. Click on NSDL to cast your vote. 3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile and e-mail as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.
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Individual Shareholders (holding securities in demat mode) logging through their depository participants	<ol style="list-style-type: none"> 1. You can also login using the login credentials of your demat account through your DP registered with NSDL / CDSL for e-Voting facility. 2. Once logged-in, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL / CDSL Depository site after successful authentication, wherein you can see e-Voting feature. 3. Click on options available against company name or e-Voting service provider - NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting and e-Voting during the meeting.
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Important note: Members who are unable to retrieve User ID / Password are advised to use Forgot User ID and Forgot Password option available at respective websites.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login Type	Helpdesk details
Securities held with NSDL	Please contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Securities held with CDSL	Please contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43

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| <p>II. Login method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.</p> | <ol style="list-style-type: none"> 3. A new screen will open. You will have to enter your User ID, your Password / OTP and a Verification Code as shown on the screen. |
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How to Log-in to NSDL e-Voting website?

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| <ol style="list-style-type: none"> 1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ either on a personal computer or on a mobile. 2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under "Shareholders / Member" section. | <ol style="list-style-type: none"> 4. Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsd.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. cast your vote electronically. |
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5. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

6. Your password details are given below:

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| <p>a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.</p> <p>b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you by NSDL. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.</p> <p>c) How to retrieve your 'initial password'?</p> <p>i. If your e-mail ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your e-mail ID. Trace the e-mail sent to you from NSDL in your mailbox from evoting@nsdl.com. Open the e-mail and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8-digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.</p> <p>ii. In case you have not registered your e-mail address with the Company / Depository, please follow instructions mentioned below in this notice.</p> | <p>d) Members can also use the one-time password (OTP) based login for casting the votes on the e-Voting system of NSDL.</p> <p>8. After entering your password, click on Agree to "Terms and Conditions" by selecting on the check box.</p> <p>9. Now, you will have to click on "Login" button.</p> <p>10. After you click on the "Login" button, Home page of e-Voting will open.</p> |
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Details on Step 2 are mentioned below:

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

7. If you are unable to retrieve or have not received the 'initial password' or have forgotten your password:

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| <p>a) Click on "Forgot User Details / Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.</p> <p>b) "Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.</p> <p>c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number / folio number, your PAN, your name and your registered address.</p> | <p>1) After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.</p> <p>2) Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".</p> <p>3) Now you are ready for e-Voting as the Voting page opens.</p> <p>4) Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.</p> <p>5) Upon confirmation, the message "Vote cast successfully" will be displayed.</p> <p>6) You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.</p> <p>7) Once you confirm your vote on the resolution, you will not be allowed to modify your vote.</p> |
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General Guidelines for shareholders:

1. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-Voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on <https://www.evoting.nsdl.com> to reset the password.
 2. In case of any queries relating to e-Voting you may refer to the FAQs for Shareholders and e-Voting user manual for Shareholders available at the download section of <https://www.evoting.nsdl.com> or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or contact Mr. Amit Vishal, Senior Manager – NSDL at [amitv@nsdl.co.in/022-24994360](mailto:amitv@nsdl.co.in) or Mr. Sagar Ghosalkar, Assistant Manager- NSDL at [sagar.ghosalkar@nsdl.co.in/022-24994553](mailto:sagar.ghosalkar@nsdl.co.in).
 3. Members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing demat account number / Folio number, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card). If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained above.
 4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.
 5. The instructions for members for e-Voting on the day of the AGM are mentioned in point number 9(A) above.
2. Members are encouraged to join the Meeting through Laptops for better experience.
 3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
 4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
 5. Members who need assistance before or during the AGM, can contact NSDL on [evoting@nsdl.co.in/1800-222-990](mailto:evoting@nsdl.co.in) or contact Mr. Amit Vishal, Senior Manager – NSDL at [amitv@nsdl.co.in/022-24994360](mailto:amitv@nsdl.co.in) or Mr. Sagar Ghosalkar, Assistant Manager- NSDL at [sagar.ghosalkar@nsdl.co.in/022-24994553](mailto:sagar.ghosalkar@nsdl.co.in).
 6. Members are encouraged to express their views / send their queries in advance mentioning their name demat account number / folio number, email id, mobile number at investor.services@gati.com. Questions / queries received by the Company till 5:00 p.m. on Saturday, September 18, 2021 shall only be considered and responded during the AGM.
 7. The Company reserves the right to restrict the number of questions and number of speakers, depending on the availability of time for the AGM.
 8. Those Members, who will be present in the AGM through VC / OAVM facility and have not cast their vote on the Resolutions through remote e-Voting, shall be eligible to vote through e-Voting system during the AGM.

B. INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC / OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM link" placed under "Join General meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.

Other Instructions:

- (a) Voting rights shall be reckoned on the paid-up value of shares registered in the name of the member / beneficial owner (in case of electronic shareholding) as on the cut-off date i.e. Wednesday, September 15, 2021. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date, only shall be entitled to vote. A person who is not a member as on the cut-off date, should treat the Notice for information purpose only.
- (b) The login ID and password for e-voting is being sent to the members who have registered their e-mail IDs with the Company / their respective Depository Participants are being forwarded the login ID and password for e-voting by e-mail.
- (c) The facility for voting, the Company has opted to provide the same electronic voting system at the Meeting, as used during remote e-voting, and the said facility shall be operational till

all the resolutions proposed in the Notice are considered and voted upon at the Meeting and may be used for voting only by the members holding shares as on the cut-off date who are attending the Meeting and who have not already cast their vote(s) through remote e-voting.

- (d) Any person who become members of the Company after dispatch of the Notice of the Meeting and holding shares as on the cut-off date i.e. Friday, August 27, 2021, may obtain the User ID and password for e-voting by sending email intimating DP ID and Client ID / Folio No. at evoting@nsdl.co.in with a copy to investor.services@gati.com. However, if you are already registered with NSDL for e-voting, you can use your existing User ID and password for casting your vote.

The Register of members and share transfer books of the Company will remain closed from Wednesday, September 15, 2021 to Wednesday, September 22, 2021 (both days inclusive) for the purpose of AGM.

- (e) The Scrutinizer, after scrutinising the votes cast at the time of the meeting and through e-voting, will, within stipulated time, make a consolidated scrutinizer's report and submit the same to the Chairman not later than 48 hours from the conclusion of the AGM. The results declared along with the consolidated scrutinizer's report shall be placed on the website of the Company i.e. www.gati.com and on the website of NSDL i.e. <https://www.evoting.nsdl.com/>. The results shall simultaneously be communicated to the Stock Exchanges.
- (f) Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the Meeting, i.e. Wednesday, September 22, 2021.
- (g) Members whose shareholding is in electronic mode are requested to direct notifications about change of address and updates about bank account details to their respective depository participant(s) (DP).
- (h) All documents referred to in the accompanying Notice and the Explanatory Statement can be obtained for inspection by writing to the Company at its email ID investor.services@gati.com till the date of AGM.
- (i) The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act and the certificate from Auditors of the Company certifying that the Gati Employee Stock Option Scheme (ESOS) are being implemented in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulation, 2014, will be available electronically for inspection by the members during the AGM. All documents referred to in the Notice will also be available for electronic inspection without any fee by the members

from the date of circulation of this Notice up to the date of AGM, i.e. Wednesday, September 22, 2021. Members seeking to inspect such documents can send an email to investor.services@gati.com.

- (j) The members who have not surrendered their old share certificates (Issued by the then Transport Corporation of India Limited, now known as TCI Industries Limited, the transferor Company, under the Scheme of Arrangement) are requested to surrender their old share certificates to TCI Industries Limited, Mukesh Textile Mills Private Limited, N.A. Sawant Marg, Colaba, Mumbai – 400 005 to obtain their new share certificates of four companies including this Company.
- (k) Members holding shares in physical mode are:
- i. Required to submit their Permanent Account Number (PAN) and bank account details to the Secretarial Department of the Company / Link Intime India Private Limited ("Link Intime"), Registrar and Share Transfer Agent of the Company, if not registered with the Company as mandated by SEBI.
 - ii. Advised to register the nomination in respect of their shareholding in the Company.
 - iii. Requested to register / update their e-mail address with the Secretarial Department of the Company / Link Intime for receiving all communications from the Company electronically.
- (l) Members holding shares in electronic mode are:
- i. Requested to submit their PAN and bank account details to their respective DPs with whom they are maintaining their demat accounts.
 - ii. Advised to contact their respective DPs for registering the nomination.
 - iii. Requested to register / update their e-mail address with their respective DPs for receiving all communications from the Company electronically.
- (m) Non-Resident Indian members are requested to inform Link Intime / respective DPs, immediately of:
- i. Change in their residential status on return to India for permanent settlement.
 - ii. Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.
- (n) Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in

case the shares are held by them in electronic form and to Link Intime / Secretarial Department of the Company, in case the shares are held by them in physical form.

- (o) Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Link Intime / Secretarial Department, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making requisite changes.
 - (p) Pursuant to the provisions of the Companies Act, 1956/2013, the Company is in the process of transferring the unpaid or unclaimed dividends for the period of seven years i.e. upto financial years 2012-13, to the Investor Education and Protection Fund (IEPF) established by the Central Government. Members who have not encashed their dividend warrant(s) so far for the financial year ended March 31, 2014 or any subsequent financial years are requested to make their claim to the office of Link Intime, Registrar and Share Transfer Agents, or the Nodal Officer of the Company, at the Company's registered office. Members are requested to note that dividends that are not claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will be transferred to IEPF. Shares on which dividend remains unclaimed for seven consecutive years will be transferred to the IEPF as per Section 124 of the Act, read with applicable IEPF rules.
 - (q) Pursuant to Section 101 and Section 136 of the Act read with relevant Rules made thereunder, Companies can serve Annual Reports and other communications through electronic mode to those Members who have registered their email address either with the Company or with the Depository Participant(s). Members who have not registered their email address with the Company can now do the same by submitting a duly filled-in 'Shareholder Registration Form' available on the website of the Company i.e. www.gati.com. Alternatively, Members holding shares in physical mode and who have not registered/updated their e-mail addresses with the Company are requested to register/update their email addresses by sending a duly signed request letter to the Company's Registrar and Share Transfer Agent viz. Link Intime by providing Folio No. and Name of the Member or may also send an e-mail to Mrs. T.S. Maharani, Company Secretary at investor.services@gati.com. Members holding shares in demat form are requested to register their email address with their Depository Participant(s) only. Members of the Company who have registered their email address are also entitled to receive such communication in physical form, upon request.
- (r) The Company is in the process of transferring the unpaid or unclaimed dividends declared up to financial years 2012-13 to the Investor Education and Protection Fund (IEPF) established by the Central Government. The Company has uploaded the details of unpaid and unclaimed dividends lying with the Company as on December 28, 2020 (date of the previous Annual General Meeting) on the website of the Company and the same can be accessed through the link: <https://www.gati.com/investor-relations/unclaimed-dividend-details/>. The said details have also been uploaded on the website of the IEPF Authority and the same can be accessed through the link: www.iepf.gov.in.
 - (s) Adhering to the various requirements set out in the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, the Company is under the process of transferring the shares in respect of which dividend had remained unpaid or unclaimed for seven consecutive years or more to the IEPF Authority and which were due for transfer during the financial year 2020-21. Details of the shares to be transferred to the IEPF Authority are available on the website of the Company and the same can be accessed through the link: <https://www.gati.com/investor-relations/unclaimed-dividend-details/>.
 - (t) Members may note that shares as well as unclaimed dividends transferred to IEPF Authority can be claimed back from them. Concerned members/investors are advised to visit the weblink: <http://www.iepf.gov.in/IEPF/refund.html> or contact Link Intime for lodging claim for refund of shares and / or dividend from the IEPF Authority.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013.

Item No. 4

The Company has branch outside India (at Nepal) and may also open / acquire new branches outside India in future. It may be necessary to appoint branch auditors for carrying out the audit of the accounts of such branches. The Members are requested to authorize the Board of Directors of the Company to appoint branch auditors in consultation with the Company's Auditors and fix their remuneration.

None of the Directors or Key Managerial Person (KMP) or relatives of Directors and KMP, are in any way concerned with or interested, financially or otherwise, in the resolution set out at Item No. 4 of the accompanying notice.

The Board recommends the Ordinary Resolution set out at Item No. 4 of the Notice for approval by the shareholders.

Item No. 5

The Board of Directors upon the recommendation of the Nomination and Remuneration Committee, appointed Mr. Nilesh Shivji Vikamsey (DIN: 00031213) as an Additional Director with effect from February 05, 2021 pursuant to Section 161(1) of the Companies Act, 2013 ("the Act") and as an Independent Director pursuant to Section 149 of the Companies Act, 2013. In terms of the provisions of Section 161(1) of the Act, Mr. Nilesh Shivji Vikamsey will hold office only up to the date of ensuing Annual General Meeting.

The Company has received consent in writing to act as Director in Form DIR-2 and intimation in Form DIR-8 to the effect that he is not disqualified u/s 164(2) to act as Director. The Company has also received declaration from him that he meets the criteria of independence as prescribed u/s 149(6) of the Act. In the opinion of the Board, Mr. Nilesh Shivji Vikamsey fulfils the conditions specified in the Act and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management.

Mr. Nilesh Shivji Vikamsey, being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for a First Term of 5 (Five) years commencing from February 05, 2021.

The Board upon the recommendation of the Nomination and Remuneration Committee, in its Meeting held on February 05, 2021 has approved the appointment of Mr. Nilesh Shivji Vikamsey as an Independent Director and recommends the same for the approval by the Shareholders of the Company.

Except Mr. Nilesh Shivji Vikamsey, no other Director and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 5 of the accompanying notice.

Other information about Mr. Nilesh Shivji Vikamsey, pursuant to Regulation 36(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Secretarial Standard-2 on General Meetings issued by ICSI are attached as Annexure-I to the Notice.

By order of the Board of Directors
for **Gati Limited**

T.S. Maharani

(Company Secretary & Compliance Officer)

Membership No: F8069

Place: Hyderabad

Date: May 25, 2021

Registered & Corporate Office:

Plot No.20, Survey No.12,

Kothaguda, Kondapur, Hyderabad- 500 084

Tel: +91 040-7120 4284, Fax: +91 040-2311 2318

CIN: L63011TG1995PLC020121

Website: www.gati.com

Email: investor.services@gati.com

PURSUANT TO REGULATION 36 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND SECRETARIAL STANDARD 2 ISSUED BY ICSI, INFORMATION ABOUT THE DIRECTORS PROPOSED TO BE APPOINTED/ RE-APPOINTED IS FURNISHED BELOW:

Mr. Kaiwan Kalyaniwalla (DIN: 00060776)

Age	57
Qualifications	<ul style="list-style-type: none"> ▪ Bachelor's degree in economics and political science; ▪ Bachelor of Law.
Experience (including expertise in specific functional area) / Brief Resume	Mr. Kalyaniwalla has been in the practice of law for over 34 years and is enrolled as a Solicitor of the Supreme Court of England and Wales. His practice is predominantly in the field of corporate laws, property laws, tax laws, general commercial and personal laws.
Terms & Conditions of Re-appointment	Non – Executive Director liable to retire by rotation
Remuneration Last Drawn (FY 2020-21)	-
Remuneration proposed to be paid	-
Date of first appointment on the Board	04-02-2020
Shareholding in the Company as on March 31, 2021	-
Relationship with other Directors/Key Managerial Personnel	Not related to any director/key managerial personnel.
Number of meetings of the Board attended during the financial year (2020-21)	10 out of 10
Directorships of other Boards as on March 31, 2021	<ul style="list-style-type: none"> ▪ Modern India Limited; ▪ Iron & Metal Traders Private Limited; ▪ Bombay Metal And Alloys Mfg Company Private Limited ▪ Transindia Logistic Park Private Limited; ▪ Synchro Investments Private Limited; and ▪ Quantum Trustee Company Private Limited
Membership/ Chairmanship of committees of other listed companies as on March 31, 2021 (includes only Audit Committee and Stakeholders Relationship Committee)	<p>Modern India Ltd.:-</p> <ul style="list-style-type: none"> ▪ Audit Committee

Mr. Nilesh Shivji Vikamsey (DIN: 00031213)

Age	56
Qualifications	Chartered Accountant
Experience (including expertise in specific functional area) / Brief Resume	Mr. Vikamsey is a Senior Partner of Khimji Kunverji & Co LLP, Chartered Accountants since 1985. A firm registered with the Institute of Chartered Accountants of India & in practice since 1936, having over 80 years of experience in the areas of Auditing, Taxation, Corporate & Personal Advisory Services, Business & Management Consulting Services, Due diligence, Valuations, Inspections, Investigations etc. He was also elected as a President of the Institute of Chartered Accountants of India (ICAI) for the year 2017-18.
Terms & Conditions of Re-appointment	As mentioned in the Notice and explanatory statement
Remuneration Last Drawn (FY 2020-21)	-
Remuneration proposed to be paid	-
Date of first appointment on the Board	05-02-2021
Shareholding in the Company	Nil
Relationship with other Directors/Key Managerial Personnel	Not related to any director/key managerial personnel.
Number of meetings of the Board attended during the financial year (2020-2021)	Mr. Nilesh Shivji Vikamsey attended 2 out of 2 Board Meetings held in his tenure
Directorships of other Boards as on March 31, 2021	<ul style="list-style-type: none"> ▪ IIFL Finance Limited; ▪ IIFL Wealth Management Limited; ▪ Navneet Education Limited; ▪ Thomas Cook (India) Limited; ▪ PNB Housing Finance Limited; ▪ NSEIT Limited; ▪ SOTC Travel Limited; ▪ Nippon Life India Trustee Limited;

Membership/ Chairmanship of committees of other listed companies as on March 31, 2021 (includes only Audit Committee and Stakeholders Relationship Committee)

IIFL Finance Limited:-

- Member of Audit Committee;

IIFL Wealth Management Limited:-

- Member of Audit Committee;

Navneet Education Limited:-

- Member of Audit Committee;

Thomas Cook (India) Limited:-

- Chairman of Audit Committee;
- Member of Stakeholders Relationship Committee;

PNB Housing Finance Limited:-

- Chairman of Audit Committee;

NSEIT Limited:-

- Member of Audit Committee;

Nippon Life India Trustee Limited:-

- Member of Audit Committee;

By order of the Board of Directors
for **Gati Limited**

T.S. Maharani

(Company Secretary & Compliance Officer)

Membership No: F8069

Place: Hyderabad

Date: May 25, 2021

Registered & Corporate Office:

Plot No.20, Survey No.12,

Kothaguda, Kondapur, Hyderabad- 500 084

Tel: +91 040-7120 4284, Fax: +91 040-2311 2318

CIN: L63011TG1995PLC020121

Website: www.gati.com

Email: investor.services@gati.com

Directors' Report

Dear Members,

Your Directors present the report of the Business and Operations of your Company ('the Company' or 'Gati'), along with the audited financial statements, for the financial year ended March 31, 2021. The Consolidated Performance of your Company and its subsidiaries has been referred to wherever required.

1) Financial Highlights

The summarized standalone and consolidated financial results of the Company for the financial year ended March 31, 2021 as compared to the previous year are as under:

Particulars	Standalone		Consolidated	
	F.Y. 2020-21	F.Y. 2019-20	F.Y. 2020-21	F.Y. 2019-20
Total Income	28,650	44,551*	1,32,465	1,72,493
Profit/(Loss) before Finance Cost, Depreciation & Amortization Expenses, Exceptional items & Tax Expenses	280	(528)	3,756	4,891
Less: Finance cost	669	1,255	4,514	5,364
Less : Depreciation and Amortization Expenses	188	368	4,013	4,370
Profit/(Loss) before tax & Exceptional items	(577)	(2,151)	(4,771)	(4,843)
Less: Exceptional items	16,001	-	(20,486)	-
Profit/(Loss) before tax	(16,578)	(2,151)	(25,257)	(4,843)
Less: Tax expenses	1,053^	3,631^	(664)	3,584^
Profit/(Loss) after tax	(17,632)	(5,782)	(24,593)	(8,427)
Attributable to				
Owners of the company	(17,632)	(5,782)	(22,788)	(7,829)
Non –controlling Interest	-	-	(1,805)	(598)
Add: other comprehensive Income (net of Tax)	71	(52)	913	(128)
Total comprehensive income	(17,561)	(5,834)	(23,680)	(8,555)
Attributable to				
Owners of the company	(17,561)	(5,834)	(21,802)	(7,932)
Non –controlling Interest	-	-	(1,878)	(623)

*Includes dividend income from GKEPL.

^Tax related to earlier years.

2) Dividend

In view of the loss for the year ended, the Directors do not recommend any dividend on the equity shares of the Company for the financial year ended March 31, 2021. Further, in compliance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2021 effective from May 06, 2021, the Board of Directors of the Company at its meeting held on May 25, 2021 has adopted the Dividend Distribution Policy pursuant to the provisions of the Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as the "Listing Regulations") and same is available on the Company's website and can be accessed at www.gati.com.

3) Impact of COVID-19

The COVID-19 pandemic continues to spread throughout the world. The performance of the Company operation was impacted during the first quarter, following nationwide lockdown by the Government of India. The Company has resumed operations in a phased manner as per directives from the Government of India. The company has taken-into-account the impact of COVID – 19 in preparation of financial results including its assessment of going concern and recoverability of the carrying amounts of financial and non-financial assets. The extent to which the pandemic will impact our future financial results is currently uncertain and will depend on various other economic developments. The Company is also dependent on dividend from a major operating subsidiary, which is also affected by COVID-19 in respect of business operations and turnover. The Company will continue to monitor any material changes to future economic conditions.

4) Review of Operations

Consolidated:

During the year under review, at consolidated level, your Company achieved a revenue of ₹1,32,465 Lakhs, EBITDA of ₹3,756 Lakhs, PBT of ₹-25,257 Lakhs and PAT of ₹-24,593 Lakhs as against a revenue of ₹1,72,493 Lakhs, EBITDA of ₹4,891 Lakhs, PBT of ₹-4,843 Lakhs and PAT of ₹-8,427 Lakhs respectively in the previous year.

Standalone:

At standalone level, your Company recorded revenue of ₹28,650 Lakhs, EBITDA of ₹280 Lakhs, PBT of ₹-16,578 Lakhs and PAT of ₹-17,632 Lakhs as against revenue ₹44,551 Lakhs, EBITDA of ₹-528 Lakhs, PBT of ₹-2,151 Lakhs and PAT of ₹-5,782 Lakhs in the previous year.

5) Performance and Financial Details of Subsidiaries and Associates

The financial performance of the subsidiaries and associate are discussed in the Report on Management Discussion & Analysis Report. Pursuant to the provisions of Sections 129, 133, 134 and 136 of the Act read with Rules framed thereunder, the Company has prepared Consolidated Financial Statements of the Company and its subsidiaries and a separate statement containing the salient features of financial statement of subsidiaries and associate in Form AOC-1 forms part of the Annual Report.

In accordance with Section 136 of the Act, the Annual Accounts of the Subsidiaries are available on the Company's website and also open for inspection by any Member at the Company's Registered Office. The Company will make available these documents and the related detailed information upon request by any Member of the Company or any Member of its Subsidiary, who may be interested in obtaining the same.

6) Subsidiaries, Associates & Joint Ventures and Consolidated Financial Statements

In accordance with the Ind-AS 110 on Consolidated Financial Statements read with the Ind-AS 28 on Accounting for Investments in Associates notified under Section 133 read with Section 129(3) of the Act, the Audited Consolidated Financial Statements are provided in the Annual Report.

The financial statements of the following Subsidiaries have been consolidated into the financial statements of the Company:

- i. Gati-Kintetsu Express Private Limited ("GKEPL")
- ii. Gati Kausar India Limited ("GKIL")
- iii. Gati Import Export Trading Limited ("GIETL")
- iv. Zen Cargo Movers Private Limited ("ZCMPL")
- v. Gati Logistics Parks Private Limited ("GLPPL")

- vi. Gati Projects Private Limited ("GPPL")
- vii. Gati Asia Pacific Pte Ltd. ("Gati Asia Pacific")
- viii. Gati Hong Kong Ltd. ("Gati Hong Kong")
- ix. Gati Cargo Express (Shanghai) Co. Ltd. ("Gati Cargo")

The Company has one Associate Company i.e. Gati Ship Limited and the same is not considered in the consolidation of accounts as the Company ceases to have significant control after the sale of stake of 12.09% on May 16, 2014. Further, the Company has no Joint Ventures.

During the year, Gati Asia Pacific Pte Ltd. alongwith Gati Hong Kong Ltd. and Gati Cargo Express (Shanghai) Co. Ltd. have ceased to be the Company's subsidiaries w.e.f. August 17, 2020.

In accordance with Regulation 16(1)(c) of the Listing Regulations, GKEPL has been identified as a material unlisted subsidiary of the Company.

Furthermore, post closure of the reporting period, the Board of Directors of the Company vide its meeting held on Tuesday, May 25, 2021 approved the disposal of Subsidiary i.e. Gati Kausar India Limited, by way of entering into Share Purchase Agreement among the Contracting Parties i.e. (i) Company as a Promoter, (ii) Mandala Capital AG Limited as an Investor, and (iii) Gati Kausar India Limited as a Company.

The Policy for Determining Material Subsidiaries as approved by the Board is uploaded on the Company's website at <https://www.gati.com/pdf/Investors/announcements/Policy-on-material-subsidiaries.pdf>

7) Acquisition of controlling stake by Allcargo Logistics Limited (ACL)

ACL had completed the acquisition of the controlling stake in the Company pursuant to the Share Purchase Agreement, Share Subscription Agreement and the Open Offer given to the Public Shareholders of the Company. On April 08, 2020, ACL became the Promoter and the holding Company and Gati is now a part of the Allcargo Group.

8) Reserves

No amount transferred to Reserves, in view of the losses of the Company at the end of the financial year.

9) Fixed deposits (FD)

As on March 31, 2021, fixed deposits of your Company stood at ₹731.8 Lakhs out of which ₹69.2 Lakhs remain unclaimed and there were no overdue deposits as on that date. During the year under review, your Company has accepted deposits to the tune of ₹44.1 Lakhs. There was no default in repayment of deposits or payment of interest thereon during the year and there are no deposits which are in non-compliance with

the requirements of the Act. The current fixed deposits carry a rating of "CARE BB+" issued by CARE Ratings Limited. Further, the Board of Directors of the Company have decided at its meeting held on September 14, 2020 not to accept the new Fixed Deposits and renew any existing Fixed Deposits.

10) Directors and Key Managerial Personnel (KMP)

i. Appointment/Resignation/Cessation of Director:

The Board upon the recommendation of the Nomination and Remuneration Committee, in its Meeting held on July 03, 2020, has approved the appointment of Ms. Cynthia D'Souza (DIN: 00420046), Mr. Mohinder Pal Bansal (DIN: 01626343) and Mr. Dinesh Kumar Lal (DIN: 00037142) as Additional Directors (Independent) with effect from July 03, 2020 for a first term of 5 (Five) years and Mr. Adarsh Hegde (DIN: 00035040) & Mr. Jatin Chokshi (DIN: 00495015) as Additional Directors (Non-Executive) with effect from July 03, 2020 and the same were approved by the Shareholders of the Company in the AGM held on December 28, 2020. Further, the Company has received consent in writing from all of them to act as Directors in Form DIR- 2 and intimation in Form DIR-8 to the effect that they are not disqualified u/s 164(2) of the act.

Further, the Board upon the recommendation of the Nomination and Remuneration Committee, in its Meeting held on February 05, 2021, has approved the appointment of Mr. Nilesh Shivji Vikamsey (DIN: 00031213) as an Additional Director (Independent) with effect from February 05, 2021 and recommends the same for the approval by the Shareholders of the Company in the ensuing AGM of the Company.

During the year under review:

- (i) Dr. P S Reddy (DIN: 00608915) resigned from the position of the Independent Director of the Company with effect from July 08, 2020 due to his personal reasons,
- (ii) Mr. K L Chugh (DIN: 00140124) resigned from the position of the Independent Director and Chairman of the Company with effect from July 24, 2020 due to his age, ill health and stressful work environment,
- (iii) Dr. Savita Date Menon (DIN: 08528271) resigned from the position of the Independent Director of the Company with effect from October 12, 2020 due to the transition of the Company into a new Management,
- (iv) Mr. N Srinivasan (DIN: 00004195) resigned from the position of Independent Director of the Company with effect from January 01, 2021 due to his advanced age and related health issues,

(v) Mr. Mohinder Pal Bansal (DIN: 01626343) resigned from the position of Independent Director of the Company with effect from March 04, 2021 due to his personal reasons,

(vi) Mr. Mahendra Kumar Agarwal (DIN: 00179779) resigned from the position of the Managing Director, Founder & CEO of the Company with effect from September 28, 2020 pursuant to the Share Purchase Agreement entered by him along with two other Promoter group members ("Sellers") with Allcargo Logistics Limited ("Acquirer") on December 05, 2019, and

(vii) Mr. Adarsh Hegde (DIN: 00035040) and Mr. Jatin Chokshi (DIN: 00495015) also resigned from the position of Additional Non – Executive and Non-Independent Directors of the Company with effect from October 05, 2020 due to their personal reasons.

Mr. K.L.Chugh, Mr. P.S.Reddy and Mr. N.Srinivasan, Independent Directors were associated with the Company for more than two decades. Mr. Shashi Kiran Shetty has now been appointed as the new Chairman of the Company with effect from July 24, 2020 and also the Managing Director of the Company w.e.f. November 04, 2020.

ii. Re-appointment of Director:

During the year, the Company has re-appointed Mr. Yasuhiro Kaneda (DIN: 07619127) as Director of the Company, who retires by rotation at the 25th AGM held during the year.

iii. Retirement by Rotation:

In accordance with the provisions of Section 152 of the Act, read with Companies (Management & Administration) Rules, 2014 and Articles of Association of the Company, Mr. Kaiwan Kalyaniwalla (DIN: 00060776), Director of the Company, who retires by rotation at the ensuing AGM and being eligible, has offered himself for re-appointment and the Board recommends his re-appointment.

In compliance with Regulation 36(3) of the Listing Regulations, brief resume of all the Directors proposed to be appointed / re-appointed forms part of the notes and explanatory statement to the Notice of the ensuing AGM.

iv. Key Managerial Personnel:

Pursuant to the stepping down of Mr. Peter H. Jayakumar, from the position of Chief Financial Officer (CFO) of the Company with effect from October 09, 2020 on account of his Superannuation, Mr. Rohan Mittal the Chief Transformation Officer of the Company

has also been appointed as the new Chief Financial Officer of the Company with effect from October 09, 2020.

11) Particulars of Employees and related disclosures

The remuneration paid to your Directors is in accordance with the Nomination and Remuneration Policy formulated in accordance with Section 178 of the Act and Regulation 19 of the Listing Regulations. The salient aspects covered in the Nomination and Remuneration Policy have been outlined in the Corporate Governance Report which forms part of this Annual report.

The information required under section 197 of the Act read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) in respect of Directors/employees of the Company is set out in the Annexure –A to this report.

Your company as a mark of recognition to the contributions made by the President, Business & Operations of the Company towards the business of the Company including its subsidiaries, made a onetime ex-gratia payment of rupees one crore to him.

12) Declaration by Independent Directors

Pursuant to sub section (6) of Section 149 of the Act and Regulation 16(1)(b) of the Listing Regulations, all the Independent Directors of your Company have given declaration that they have met the criteria of independence as required under the Act and the regulations.

13) Remuneration Policy

Your Directors have, on the recommendation of the Nomination & Remuneration Committee, framed a policy for selection and appointment of Director(s), Senior Management Personnel and their remuneration. The Remuneration Policy forms part of the Corporate Governance Report.

14) Board Evaluation

Pursuant to the provisions of the Act and the Listing Regulations, annual performance evaluation is to be done for the Board, its Committees, the Chairman and Individual Directors. To ensure an effective evaluation process, the Nomination and Remuneration Committee of the Board of Directors ("NRC") has put in place evaluation framework for conducting the performance evaluation exercise.

Based on the criteria set by NRC, the Board has carried out annual evaluation of its own performance, its Committees and individual Directors for financial year 2020-21. The questionnaires on performance evaluation were broadly based on the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India on January 05, 2017. An online platform has been provided to each Director for

their feedback and evaluation. The evaluation process was anchored by an independent professional agency to ensure independence, confidentiality and neutrality. A report on the evaluation process and the results of the evaluation were presented by the agency to the Board.

The performance evaluation of the Board was done on key attributes such as composition, administration, corporate governance, independence from Management, etc. Parameters for evaluation of Directors included constructive participation in meetings and engagement with colleagues on the Board. Similarly, committees were evaluated on parameters such as adherence to the terms of the mandate, deliberations on key issues, reporting to Board, etc. Evaluation of the Chairman of the Company was on the basis of his leadership, guidance to the Board and overall effectiveness.

Thereafter, at the Board meeting, the performance of the Board, its Committees and individual Directors was discussed and deliberated. The Board of Directors expressed their satisfaction towards the process followed by the Company for evaluating the performance of the Directors, Board and its Committees.

15) Board Committees

Detailed Composition of the Board committees namely Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Stakeholders Relationship Committee and Risk Management Committee, number of meetings held during the year under review and other related details are set out in the Corporate Governance Report which forms a part of this Report.

16) Audit committee

The details pertaining to the composition of the audit committee are included in the Corporate Governance Report, which is a part of this report.

All the recommendations made by the Audit Committee were accepted by the Board of Directors of the Company.

17) Particulars of Loans, Guarantees and Investments

The particulars of Loans given, Investments made and guarantees provided by the Company under Section 186 of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014 as at March 31, 2021, forms part of the Financial Statements.

18) Corporate Social Responsibility (CSR)

In terms of section 135 and Schedule VII of the Act read with Companies (Corporate Social Responsibility Policy) Rules, 2014 made thereunder, as amended, the Board of Directors of your Company have constituted a Corporate Social Responsibility Committee.

The brief outline of the Corporate Social Responsibility (CSR) Policy of your Company as adopted by the Board and the initiatives undertaken by the Company on CSR activities during the year under review are set out in Annexure-B of this report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021. The Composition of CSR Committee, CSR Policy and Projects approved by the Board is available on the Company's website www.gati.com.

19) Related Party Transactions

In line with the requirements of the Act and Listing Regulations, your Company has formulated a Policy on Related Party Transactions which is also available on the Company's website at <https://www.gati.com/investor-relations/policies/>. The Policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and Related Parties.

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 material related party transactions, i.e. transactions exceeding 10% of the annual consolidated turnover as per the last audited financial statements, were entered during the year by your Company. Accordingly, the disclosure of Related Party Transactions as required under Section 134(3)(h) of the Act in Form AOC-2 is not applicable. The details of the transactions with related parties are provided in Note No. 47 to the Financial Statements.

20) Meetings of the Board and Committees

Ten Meetings of the Board of Directors were held during the year. For details of the meetings of the Board, please refer to the report on Corporate Governance, which forms part of this Annual report.

21) Vigil Mechanism

The existing Whistle-blower Policy has been revised and the same being approved and adopted by Board of Directors of the Company in compliance with the provisions of Section 177(10) of the Act and Regulation 22 of the Listing Regulations. The revised Whistle-blower Policy is being made available on the website of your company at <https://www.gati.com/investor-relations/policies/>.

22) Policy on prevention of Sexual Harassment at Workplace

As per the requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 ('POSH Act') and Rules made thereunder, your Company has complied with the provisions related to the Constitution of Internal Complaints Committee (ICC).

The Company has taken several initiatives across the organization to build awareness amongst employees

about the Policy and the provisions of Prevention of Sexual Harassment of Women at Workplace Act.

No complaint on sexual harassment was received during the year.

23) Familiarisation Programme for Independent Directors

Pursuant to the Listing Regulations, the Company shall familiarise the Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc. The Directors are regularly informed during meetings of the Board and Committees on the business strategy, business activities, business operations and issues faced by the Logistics industry.

The details of the Familiarisation programme process for the Independent Directors forms part of the Corporate Governance Report.

24) Directors' Responsibility Statement

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

- a) That in the preparation of the Accounts for the financial year ended March 31, 2021, the applicable accounting standards and schedule III of the Act (including any statutory modification(s) or re-enactment(s) for the time being in force), have been followed along with the proper explanation relating to material departure;
- b) 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 as at March 31, 2021 and of the profit and loss of the Company for the financial year ended March 31, 2021;
- c) That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act (including any statutory modification(s) or re-enactment(s) for the time being in force), for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) That the accounts have been prepared on 'going concern' basis;
- e) The directors had laid down internal financial controls to be followed by the company and such internal financial controls are adequate and the Company is constantly endeavouring to improve the standards of internal control in various areas and taking steps to strengthen

the internal control system to make it commensurate and effective with the nature of its business;

- f) The directors have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

25) Annual Return

Pursuant to sub-section (3) of Section 92 of the Act and Rule 12 of the Companies (Management and Administration) Rules, 2014, the Annual Return of the Company as at March 31, 2021 in Form MGT-7 is available on the website of the Company at the link <https://www.gati.com/investor-relations/general/>

26) Risk Management Policy

The company has a well-defined process in place to ensure appropriate identification and treatment of risks. Risk identification exercise is inter-woven with the annual planning cycle which ensures both regularity and comprehensiveness. The identification of risk is done at strategic, business, operational and process levels. While the mitigation plan and actions for risks belonging to strategic, business and key critical operational risks are driven by senior leadership, for rest of the risks, operating managers drives the conception and subsequent auctioning of mitigation plans.

All risks are well integrated with functional and business plans and are reviewed on a regular basis by the senior leadership.

The Company, through its risk management process, aims to contain the risks within its risk appetite. There are no risks which in the opinion of the Board that threatens the existence of the Company. However, some of the risks which may pose challenges are set out in the Management Discussion and Analysis which forms part of this Annual Report.

27) Internal Financial Controls

Your Company has established and maintained a framework of internal financial controls and compliance systems. Based on the framework of internal financial controls and compliance systems established and maintained by the Company, the work performed by the internal, statutory and secretarial auditors and external consultants, including the audit of internal financial controls over financial reporting by the statutory auditors and the reviews performed by management and the relevant board committees, including the audit committee, the Board is of the opinion that the Company's internal financial controls were adequate and your Company is constantly endeavouring to improve the standards of internal control in various areas and taking steps to strengthen the internal control system to make it commensurate and effective with the nature of its business.

Further, the statutory auditors of your company have also issued an attestation report on internal control over financial reporting (as defined in Section 143 of Act) for the financial year ended March 31, 2021, which forms part to the Statutory Auditors Report.

28) Investor Education and Protection Fund (IEPF)

Pursuant to the applicable provisions of the Act, read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('the Rules'), all unpaid or unclaimed dividend are required to be transferred by the company to the IEPF established by the Central Government, after the completion of seven years. Further, according to the Rules, the share in respect of which dividend has not been paid or claimed by the shareholders for seven consecutive years or more shall also be transferred to demat account created by the IEPF Authority. Accordingly, the company is in the process of transferring the unpaid or unclaimed dividend amounting to ₹732,890/- for the financial year 2012-13 along with its corresponding shares totalling to 30,689. The same could not be transferred as per the requirement of IEPF rules due to technical glitch and lockdown as an impact of Covid-19.

29) Auditors

a) Statutory Auditors

M/s. Singhi & Co., Chartered Accountants, (Firm Registration No. 302049E), were appointed as Statutory Auditors of the Company at the 22nd AGM till the conclusion of the 27th AGM.

The standalone and consolidated financial statements of the Company have been prepared in accordance with the Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder (Ind AS) and other accounting principles generally accepted in India.

Further, the report of the Statutory Auditors along with the notes on the Financial statements is enclosed to this Report. The Auditors' Report do not contain any qualifications, reservation, adverse remarks, observations or disclaimer on Standalone Audited Financial Statements for the financial year ended March 31, 2021 except to the emphasis of matter regarding the loans given to a subsidiary, read with note 52 and note 55 pertaining to the Covid-19 pandemic impact, which are self-explanatory. However, Auditors Report on Consolidated Audited Financial Statements for the financial year ended March 31, 2021 contains the below modified opinion:-

- (i) Auditors Qualification given under the head "Basis of Qualified Opinion" in the Auditors Report on consolidated financial statements read with note no. 56 of the consolidated financial statements

are self-explanatory and do not call for any further comments.

- (ii) Independent Auditors have also drawn attention in their report on material uncertainty related to going concern matter and note 57 of the consolidated financial statements are self-explanatory.
- (iii) Independent Auditors have also drawn attention in their report for Emphasis of matter, which read with note no. 58(a) & 61 to the consolidated financial statements of the Company, are self-explanatory.

Internal Financial controls:

Annexure A, to consolidated financial statements of Independent Auditor's report, under the head "Basis of Qualified opinion" opinion refers to the operating effectiveness of Internal Financial Control over financial reporting of a subsidiary i.e. Gati-Kintetsu Express Private Ltd. as follows:

- a) Contract revenue mapping in Information Technology system;
- b) Integration between various functional software relating to sales and expenses with the accounting in software.

Board's Comment:

- a) Regarding contract revenue mapping, the subsidiary i.e. Gati-Kintetsu Express Private Ltd has initiated the implementation of Digital contract system.
- b) Regarding Integrating of certain functional software with the accounting software, necessary steps have been taken with continuing reconciliation.

b) Secretarial Audit

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Company has appointed M/s. Puttapparthi Jagannatham & Co., Company Secretaries, Hyderabad as the Secretarial Auditor to conduct an audit of the secretarial records of the Company for the financial year 2020-21. The Secretarial Audit Report for the financial year ended March 31, 2021 under the Act, read with Rules made thereunder and Regulation 24A of the Listing Regulations, is set out in the Annexure – C-1 to this report, with the following remarks and which are self-explanatory:

- a) The compliance for Transfer of Unclaimed Unpaid Dividend and corresponding transfer of shares to IEPF fund pertaining to FY 2012-13 were pending due to the technical issues during the period.

- b) The position of the Independent Director on the Board of its unlisted material subsidiary i.e. Gati Kintetsu Express Private Limited has become vacant on 5th December, 2019 and the vacancy was filled on 5th October, 2020 as the Company was in transition phase w.r.t the change and control of the Management.
- c) Post completion of transition and change in the control and Management of the Company, the decision for the appointment of new Managing Director was unanimously taken by the Board of Directors of the Company during the proceedings of the Board Meeting, without being circulated in the agenda, which doesn't form part of other items in the Minutes. In this regard, the Notice & Agenda of Nomination & Remuneration Committee was not made available. Hence, not commented on the compliance with respect to the same.

Further, the Secretarial Audit Report of the material subsidiary i.e. Gati-Kintetsu Express Private Limited for the financial year ended March 31, 2021, pursuant to requirement of Regulation 24A of the Listing Regulations, is set out in Annexure – C-2 to this report.

Furthermore, M/s. DVM & Associates LLP, Practicing Company Secretaries and Mr. T. N. Kannan, Practicing Company Secretaries carries out Reconciliation of Share Capital Audit every quarter and the report thereon is submitted to the Stock Exchanges.

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

The information on conservation of energy, technology absorption and foreign exchange earnings & outgo pursuant to Section 134(3)(m) of the Act, read with Rule 8(3) of the Companies (Account) Rules, 2014 is annexed as Annexure – D.

31) Employees Stock Option Scheme

Your Company has two Employee Stock Option Schemes namely ESOS 2006 & ESOS 2007. During the year, your Company has not allotted any Equity shares pursuant to Employee Stock Options. The Schemes are in line with the SEBI (Share Based Employee Benefits) Regulations, 2014 ("SBEB Regulations") and there have been no material changes to the schemes during the financial year 2020-21. A certificate from the Auditors of the Company is being obtained to state that the Schemes are implemented in accordance with the SBEB Regulations and the resolutions passed by the members. The certificate would be available at the Annual General Meeting for inspection by members. The details as required to be disclosed under the SBEB Regulations and certificate from Auditors will be uploaded on the Company's website and may be accessed at: www.gati.com.

32) Change in Capital Structure and Listing at Stock Exchanges

The equity shares of your Company continue to be listed and traded on the BSE Limited (BSE) and National Stock Exchange of India Limited (NSE).

Further, during the year under review, your Company has increased its Authorized share capital from ₹30,00,00,000/- (Rupees Thirty Crores) comprising of 12,50,00,000 (Twelve Crores Fifty Lakhs) equity shares of face value of ₹2/- each and 5,00,000 (Five Lakhs) Preference Shares of ₹100/- each to ₹35,00,00,000 (Rupees Thirty Five Crores) divided into 17,50,00,000 (Seventeen Crores Fifty lakhs) Equity Shares of ₹2/- (Rupees Two Only) each by way of:-

- a) Cancellation and re-classification of unissued 5,00,000 (Five Lakhs) Preference Shares of ₹100/- each aggregating to ₹5,00,00,000 (Rupees Five Crores) into 2,50,00,000 (Two Crores Fifty Lakhs) Equity Shares of ₹2/- each aggregating to ₹5,00,00,000 (Rupees Five Crores); and
- b) Increasing by way of addition of 2,50,00,000 (Two Crores Fifty Lakhs) Equity Shares of ₹2/- each aggregating to ₹5,00,00,000 (Rupees Five Crores).

Further, during the financial year under review, no equity shares were allotted under the Employee Stock Option Scheme.

Further, Issued, Subscribed and Paid-up Share Capital of the Company as at March 31, 2021 is ₹24,38,91,954/- divided into 12,19,45,977 equity shares of ₹2/- each.

Furthermore, post closure of the reporting period, the Board of Directors of the Company in its meeting held on Friday, May 07, 2021 considered and approved the Issuance of up to 10,23,020 Equity Shares of face value of ₹2 each ("Equity Shares") at a price of ₹97.75/- per Equity Share at a premium of ₹95.75/- per Equity Share, aggregating up to ₹10,00,00,205/- (Rupees Ten Crore Two Hundred and Five Only) and 71,61,120 Equity Warrants at a Price of ₹97.75/- per Equity Warrant with the right to warrant holder to apply for and be allotted 1 (One) Equity Share of the face value of ₹2/- each of the Company at a premium of ₹95.75/- per equity share for each Equity warrant within a period of 18 (Eighteen) months from the date of allotment of the warrants, aggregating up to ₹69,99,99,480/- (Rupees Sixty Nine Crores Ninety Nine Lacs Ninety Nine Thousand Four Hundred and Eighty Only) to Allcargo Logistics Limited, Promoter of the Company on Preferential issue basis in accordance with Chapter V of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("SEBI ICDR Regulations"), as amended, and other applicable laws, subject to the shareholders' approval by way of

passing of the Special Resolution in the Extra-Ordinary General Meeting to be held on Thursday, June 03, 2021 and other necessary approvals (including applicable statutory and regulatory approvals) and in compliance with applicable laws and regulations.

33) Change of Registrar and Share Transfer Agent of the Company

During the year under review, your Company has terminated the services of Kfin Technologies Private Limited (formerly known as Karvy Fintech Private Limited) as Registrar & Share Transfer Agent and has appointed Link Intime India Private Limited as Registrar & Share Transfer Agent with effect from August 18, 2020.

34) Company's Policies

The details of the policies approved and adopted by the Board are provided in Annexure - E to this report.

35) Corporate Governance

Your Company is committed to maintain the high standards of corporate governance and adhere to the corporate governance requirements set out by Securities and Exchange Board of India. The Report on corporate governance as stipulated under Regulation 34 of the Listing Regulations, forms part of this Annual Report and is annexed as Annexure - F. The requisite certificate from the Practicing Company Secretary confirming compliance with the conditions of corporate governance as stipulated under the aforesaid Regulations forms part of this report.

36) Management Discussion and Analysis Report (MD&AR)

Management Discussion and Analysis Report for the financial year under review, as stipulated under Regulation 34(2)(e) of the Listing Regulations, is presented in a separate section and forms part of this Annual Report.

37) Business Responsibility Report (BRR)

Business Responsibility Report for the financial year under review, as stipulated under Regulation 34(2)(f) of the Listing Regulations, is presented in a separate section and forms part of this Annual Report.

38) 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 financial 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 your 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 period under review, none of the Auditors of the Company have reported any fraud as specified under the second proviso of Section 143(12) of the Act (including any statutory modification(s) or re-enactment(s) thereof for the time being in force).
5. The Company has complied with Secretarial Standards, i.e. SS-1 and SS-2, relating to Meetings of the Board of Directors and General Meetings, issued by the Institute of Company Secretaries of India.
6. There were no material changes commitments affecting the financial position of your Company between the end of financial year (March 31, 2021) and the date of the report (May 25, 2021).
7. Company is not required to maintain cost records under Section 148(1) of the Act.
8. The policy for determining material subsidiaries of the Company has been provided on the Company's website at www.gati.com

39) Acknowledgment

Your Directors thank various departments of Central and State Government, Organizations and Agencies for the continued help and co-operation extended by them to your company. Your Directors also gratefully acknowledge all stakeholders of the Company viz. members, customers, dealers, vendors, Financial Institutions, banks and other business partners for the excellent support received from them during the year and the financial contribution and significant support from the largest shareholder Allcargo Logistics Limited. Your Directors place on record their sincere appreciation to all employees of the Company for their unstinted commitment and continued contribution to the Company.

For and on behalf of the Board

Shashi Kiran Shetty

Chairman & Managing Director

DIN: 00012754

Place: Hyderabad

Date: May 25, 2021

Annexure-A

Particulars of Employees information as per Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

- i) The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2020-21 and percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer and Company Secretary during the financial year 2020-21, are as under:

Executive Directors and KMP	Ratio of remuneration of each Director / Key Managerial Personnel to median remuneration of employees	% Increase in Remuneration in the Financial Year 2020-21
Mr. Mahendra Agarwal - Founder & CEO ^(*)	NA	NA
Mr. Shashi Kiran Shetty – Managing Director ^(@)	NA	NA
Mr. Peter H Jayakumar, Chief Financial Officer ^(§)	23.9	Nil
Mr. Rohan Mittal, Chief Financial Officer ^(#)	17.2	Nil
Ms. TS Maharani, Company Secretary	14.3	Nil

^(*) Mr. Mahendra Agarwal was drawing remuneration from GKEPL, Subsidiary Company and resigned w.e.f. September 28, 2020.

^(@) Mr. Shashi Kiran Shetty is drawing remuneration from Allcargo Logistics Limited, Holding Company and was appointed w.e.f. November 04, 2020.

^(§) Mr. Peter H Jayakumar resigned w.e.f. October 09, 2020.

^(#) Mr. Rohan Mittal appointed w.e.f. October 09, 2020.

- ii) The median remuneration is ₹0.25 mn and the percentage increase in the median remuneration of employees in the financial year is 5%.
- iii) The number of permanent employees on the rolls of company as on March 31, 2021: 46,
- iv) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:
 Increase in remuneration is based on remuneration policy of the Company.
- v) It is hereby affirmed that the remuneration paid is as per the Remuneration Policy of the Company.
- vi) The statement containing particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in a separate annexure forming part of this report. Further, the report and the accounts are being sent to the members excluding the aforesaid annexure. In terms of Section 136 of the Act, the said annexure is open for inspection at the Registered Office of the Company. Any shareholder interested in obtaining a copy of the same may write to the Company Secretary of the Company.

Note:

- a) The Non-Executive Directors of the Company are entitled for sitting fee and commission as per the statutory provisions and within the limits approved by the shareholders. The details of remuneration of Non-Executive Directors are provided in the Corporate Governance Report and is governed by the Differential Remuneration Policy, as detailed in the said report. The ratio of remuneration and percentage increase for Non-Executive Directors remuneration is therefore not considered for the purpose above.
- b) Percentage increase in remuneration is calculated based on total cost to the company as approved by the Nomination and Remuneration Committee of the Company during the financial year 2020-21.

For and on behalf of the Board

Place: Hyderabad
 Date: May 25, 2021

Shashi Kiran Shetty
 Chairman & Managing Director
 DIN: 00012754

Annexure-B

Annual Report on CSR Activities to be Included in the Board's Report for Financial Year ended March 31, 2021

1. Brief outline on CSR Policy of the Company.

Gati Limited a socially responsible corporate by fulfilling its responsibilities as a member of the society and community, created a positive impact to the stakeholders with a concern towards the environment. The programs include Education, Community, Environment Sustainability and Rural Development Projects & Donations.

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Kaiwan Kalyaniwalla ^(a)	Chairman – Non Independent Director	02	NA
2.	Mr. Dinesh Kumar Lal ^(b)	Member – Independent Director	02	02
3.	Ms. Cynthia D'souza ^(c)	Member – Independent Director	02	01

Notes:

(a) Mr. Kaiwan Kalyaniwalla was appointed as a Chairman of the Committee w.e.f. February 05, 2021.

(b) Mr. Dinesh Kumar Lal was appointed as a Member of the Committee w.e.f. July 07, 2020.

(c) Ms. Cynthia D'souza was appointed as a Member of the Committee w.e.f. October 09, 2020.

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company - <https://www.gati.com/wp-content/uploads/2021/06/CSR-Policy.pdf>

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report). - Not Applicable

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any - Not Applicable

6. Average net profit of the company as per section 135(5) – ₹14.88 Crores

Sl. No.	Particulars	Amount (₹in Lakhs)
(a)	Two percent of average net profit of the company as per section 135(5)	29.75
(b)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years.	-
(c)	Amount required to be set off for the financial year, if any	-
(d)	Total CSR obligation for the financial year (7a+7b-7c).	29.75

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (in ₹ Lakhs)	Amount Unspent				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount (in ₹ Lakhs)	Date of transfer	Name of the Fund	Amount	Date of transfer
29.75	-	-	-	-	-

(b) Details of CSR amount spent against ongoing projects for the financial year: Not Applicable

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1) Sl. No.	(2) Name of the Project	(3) Item from the list of activities in schedule VII to the Act	(4) Local area (Yes/No)	(5) Location of the project		(6) Amount spent for the project (in ₹ Lakhs)	(7) Mode of implementation - Direct (Yes/No)	(8) Mode of implementation - Through implementing agency	
				State	District			Name	CSR registration number
1.	Abhaya Foundation	Women Empowerment	Yes	Telangana	Hyderabad	1.00	Yes	NA	NA
2.	Foundation of his Sacred Majesty	Healthcare	Yes	Telangana	Hyderabad	15.00	Yes	NA	NA
3.	Haryana Solar Power	Solar Power	Yes	Haryana	Gurugram	3.75	Yes	NA	NA
4.	International Centre Human Health Advancement Foundation	Healthcare	Yes	Telangana	Hyderabad	5.00	Yes	NA	NA
5.	PSR Technologies	Women Empowerment	Yes	Telangana	Hyderabad	5.00	Yes	NA	NA
Total						29.75			

(d) Amount spent in Administrative Overheads - NIL

(e) Amount spent on Impact Assessment, if applicable - NIL

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) – ₹29.75 Lakhs

(g) Excess amount for set off, if any

Sl. No.	Particulars	Amount (in ₹ Lakhs)
(i)	Two percent of average net profit of the company as per section 135(5)	29.75
(ii)	Total amount spent for the Financial Year	29.75
(iii)	Excess amount spent for the financial year [(ii)-(i)]	-
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	-

9. (a) Details of Unspent CSR amount for the preceding three financial years – Not Applicable

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
1.	-	-	-	-	-	-	-
2.	-	-	-	-	-	-	-
3.	-	-	-	-	-	-	-
Total		-	-	-	-	-	-

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): Not Applicable

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details) - Not Applicable

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

Kaiwan Kalyaniwalla
 Chairman of CSR Committee
 (DIN: 00060776)

Shashi Kiran Shetty
 Chairman & Managing Director
 DIN: 00012754

Annexure - C-1

Form No. 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]

SECRETARIAL AUDIT REPORT

For the Financial Year Ending 31st March 2021

To
The Members,
Gati Limited,
Hyderabad.

We have conducted the Secretarial Audit pursuant to Section 204 of the Companies Act, 2013, on the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. Gati 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 Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information and according to the examinations carried out by us and explanations provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2021 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **(Not applicable to the Company as on 31st March 2021);**
 - (b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 erstwhile The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **(Not applicable as the Company has not issued any stock options or stock purchase scheme to employees during the financial year under review);**
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable to the Company as on 31st March 2021);**
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **(Not Applicable as the Company is not registered as Registrar to Issue and Share Transfer Agent during the financial year under review);**
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable as the Company has not delisted/proposed to delist its equity shares from any Stock Exchange during the financial year under review);**
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(Not applicable as the Company has not bought back any of its equity shares)**

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to the Board and General Meeting.
- (ii) The Listing Agreements entered into by the Company with BSE Limited (BSE) on 31st March 2021 read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (to the extent applicable).
- (iii) Other Specifically applicable laws to the Company in respect of which we relied on the Internal Audit report and noted relevant compliances and observations made by the Internal Auditor:
 - (a) Carriage of Goods by Road Act, 2007
 - (b) Carriage of Goods by Air Act, 1972
 - (c) Carriage of Goods by Sea Act, 1925
 - (d) Motor Transport Workers Act, 1961
 - (e) Motor Vehicles Act, 1988
 - (f) Fatal Accidents Act, 1855
 - (g) The Factories Act, 1948
 - (h) Multimodal Transportation of Goods Act, 1993
 - (i) Railway Act, 1989
 - (j) The Air (Prevention and Control of Pollution) Act, 1981
 - (k) The Water (Prevention and Control of Pollution) Act, 1974
 - (l) Control of National Highways (Land and Traffic) Act, 2002

We further report that

- (i) based on the information provided by the Company, its officers and its authorised representatives during the conduct of the audit and also on review of quarterly reports by respective Department Heads/Company Secretary/ CEO taken on record by the Board of Directors of the Company, adequate systems and processes and control mechanism exist in the company to monitor and ensure the compliance of with the applicable general laws like labour laws, competition law and environment laws.
- (ii) the Compliance by the Company of applicable financial laws like direct and indirect laws has not been reviewed in this Audit since the same have been subject to review by Statutory Financial Audit and Other designated professionals.

- (iii) the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.
- (iv) adequate notice is given to all Directors to schedule the Board and Committee Meetings, agenda and detailed notes on agenda were sent electronically well in advance or shorter consent were taken in other cases, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- (v) all the decisions at the Board Meetings and Committee Meetings have been carried out unanimously as recorded in the Minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

We further report that,

- The compliance for Transfer of Unclaimed Unpaid Dividend and corresponding transfer of shares to IEPF fund pertaining to FY 2012-13 were pending due to the technical issues during the period.
- The position of the Independent Director on the Board of its unlisted material subsidiary i.e. Gati Kintetsu Express Private Limited has become vacant on 5th December, 2019 and the vacancy was filled on 5th October, 2020 as the Company was in transition phase w.r.t the change and control of the Management.
- Post completion of transition and change in the control and Management of the Company, the decision for the appointment of new Managing Director was unanimously taken by the Board of Directors of the Company during the proceedings of the Board Meeting, without being circulated in the agenda, which doesn't form part of other items in the Minutes. In this regard, the Notice & Agenda of Nomination & Remuneration Committee was not made available. Hence, not commented on the compliance with respect to the same.

We further report that

- (i) there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
- (ii) there were no specific events/actions in pursuance of the above referred laws, rules, regulations, etc., having a major bearing on the Company's affairs except as reported in the Financial Audit Report:

For **Puttaparthi Jagannatham & Co**

Navajyothi Puttaparthi

Practicing Company Secretary

COP No: 16041

FCS NO: 9896

Place: Hyderabad

Date: 25th May, 2021

UDIN: F009896C000370674

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

'Annexure A'

To
The Members,
Gati Limited
Hyderabad.

Our report with given date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For **Puttaparthi Jagannatham & Co**

Place: Hyderabad
Date: 25th May, 2021
UDIN: F009896C000370674

Navajyoth Puttaparthi
Practicing Company Secretary
COP No: 16041
FCS NO: 9896

Annexure - C-2

Form No. 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]

SECRETARIAL AUDIT REPORT

For the Financial Year Ending 31st March 2021

To
The Members,
Gati-Kintetsu Express Private Limited
 Hyderabad.

We have conducted the Secretarial Audit pursuant to Section 204 of the Companies Act, 2013, 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 Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information and according to the examinations carried out by us and explanations provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2021 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 thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (iii) The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') shall not apply to the Company being an unlisted company

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to the Board and General Meeting.
- (ii) Other Specifically applicable laws to the Company in respect of which we relied on the Internal Audit report and noted relevant compliances and observations made by the Internal Auditor:
 - (a) Carriage of Goods by Road Act, 2007
 - (b) Carriage of Goods by Air Act, 1972
 - (c) Carriage of Goods by Sea Act, 1925
 - (d) Motor Transport Workers Act, 1961
 - (e) Motor Vehicles Act, 1988
 - (f) Fatal Accidents Act, 1855
 - (g) The Factories Act, 1948
 - (h) Multimodal Transportation of Goods Act, 1993
 - (i) Railway Act, 1989
 - (j) The Air (Prevention and Control of Pollution) Act, 1981
 - (k) The Water (Prevention and Control of Pollution) Act, 1974
 - (l) Control of National Highways (Land and Traffic) Act, 2002

We further report that

- (i) based on the information provided by the Company, its officers and its authorised representatives during the conduct of the audit and also on review of quarterly reports by respective Department Heads/Company Secretary/Directors taken on record by the Board of Directors of the Company, adequate systems and processes and control mechanism exist in the company to monitor and ensure the compliance of with the applicable general laws like labour laws, competition law and environment laws.
- (ii) the Compliance by the Company of applicable financial laws like direct and indirect laws has not been reviewed in this Audit since the same have been subject to review by Statutory Financial Audit and Other designated professionals.
- (iii) the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

- (iv) adequate notice is given to all Directors to schedule the Board and Committee Meetings, agenda and detailed notes on agenda were sent electronically well in advance or shorter consent were taken in other cases, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- (v) all the decisions at the Board Meetings and Committee Meetings have been carried out unanimously as recorded in the Minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

We further report that,

- The composition of Nomination and Remuneration Committee and Audit Committee of the Company did

not satisfy with the provisions of Section 177 and 178 of Companies Act, 2013 w.e.f. 05th December, 2019 post resignation of one of the Independent Director and the committee was duly re-constituted in compliance with the applicable laws only on October 5, 2020.

We further report that

- (i) there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
- (ii) there were no specific events/actions in pursuance of the above referred laws, rules, regulations, etc., having a major bearing on the Company's affairs except as reported in the Financial Audit Report:

For **Puttaparthi Jagannatham & Co**

Place: Hyderabad
Date: 18th May, 2021
UDIN: F009896C000341865

Navajyoth Puttaparthi
Practicing Company Secretary
COP No: 16041
FCS NO: 9896

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

'Annexure A'

To
The Members,
Gati-Kintetsu Express Private Limited
Hyderabad.

Our report with given date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For **Puttaparthi Jagannatham & Co**

Place: Hyderabad
Date: 18th May, 2021
UDIN: F009896C000341865

Navajyoth Puttaparthi
Practicing Company Secretary
COP No: 16041
FCS NO: 9896

Annexure-D

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 in compliance with all latest regulations relating to pollution control and Bharat Stage (Euro) norms i.e. BS IV models.
2. Introduced Electric and CNG based vehicles for Last mile delivery.
3. The strict periodical maintenance of Company's vehicles is done as per manufacturer's prescribed norms to ensure optimum fuel consumption & better vehicle maintenance.
4. Vehicles greater than five years old are been phased out and replaced with standard BS model vehicles.
5. 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.
6. Providing DIP i.e., Drivers Information Package which would educate them about Do's and Don'ts, RIC (Route Information card) and also Driver briefing session conducted regularly before departing the vehicle & monitoring through Vehicle Tracking System.
7. A centralized Operations Command Center (OCC) has been built to provide support to vehicles and drivers 24/7, 365 days.

B) Technology Absorption:

During the financial year, Gati IT launched 2 major customer centric projects Whatsapp (Chatbot) and Revamped Customer Portal :

- (i) **Whatsapp (Chatbot):** We call it Genie and it supports customers with useful features like -Shipment Tracking, Rate and Transit finder, Pickup Registration, Complaints and Feedback.
- (ii) **Customer Portal:** We have revamped our customer portal for a better user experience and many enhanced features and facility for customers have been incorporated such as Shipment preparation / Upload, Pickup registration, Complaint registration, complete visibility around shipment status and Service Performance Report (SPR). Invoices, Proof of delivery downloads etc., another important milestone is we have selected Salesforce as our CRM for Sales and Customer Service functions and we are in the process of implementing. The CRM rollout would go live by September'21.

C) Foreign Exchange earnings and outgo:

The particulars of earning and expenditure in foreign exchange during the year are given as follows:

Summary	(Amt in Lakhs.)	
	As at 31st March, 2021	As at 31st March, 2020
Expenditure in foreign currency		
Travelling Expenses	-	-
Freight Expenses	56.4	636.4
Earnings in Foreign Currency		
Interest Income	-	-
Freight Income	90.6	643.3

For and on behalf of the Board

Place: Hyderabad
Date: May 25, 2021

Shashi Kiran Shetty
Chairman & Managing Director
DIN: 00012754

Annexure-E

Board Policies

We seek to promote and follow the highest level of ethical standards in all our business transactions guided by our value systems. The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 mandated the formulation of certain policies for all listed companies. All our corporate governance policies are available on our website, at <https://www.gati.com/investor-relations/policies/>. The policies are reviewed by the Board and updated based on need and new compliance requirements.

Key policies that have been adopted are as follows:

Name of the policy	Brief Description	Web link
Whistleblower Policy (Policy on Vigil mechanism)	The company has adopted a whistleblower mechanism for directors and employees to report concerns about unethical behavior, actual or suspected fraud, or violation of the Company's code of conduct and ethics.	https://www.gati.com/wp-content/uploads/2020/10/Gati-Whistle-Blower-Policy.pdf
Code of Conduct and Ethics	The company has adopted the Code of Conduct and Ethics which forms the foundation of its ethics and compliance program.	https://www.gati.com/investor-relations/code-of-conduct/
Insider Trading Policy	This policy provides the framework in dealing with securities of the company.	https://www.gati.com/wp-content/uploads/2018/07/Code-of-Conduct-to-Regulate-Monitor-and-Report-Trading-by-Insiders-Gati-Ltd..pdf
Policy for determining Materiality for Disclosures	This policy applies to disclosures of material events affecting Gati and its subsidiaries.	https://www.gati.com/wp-content/uploads/2021/06/Policy-for-Determination-of-Materiality-and-archive.pdf
Nomination and Remuneration Policy	This policy formulates the criteria for determining qualifications, competencies, positive attributes and independence for the appointment of a director (executive and non-executive) and also the criteria for determining the remuneration of the directors, key managerial personnel and other employees.	https://www.gati.com/wp-content/uploads/2018/08/Remuneration-policy.pdf
Corporate Social Responsibility Policy	This policy outlines the Company's strategy to bring about a positive impact on society through programs relating to hunger, poverty, education, healthcare, environment and lowering its resource footprint.	https://www.gati.com/wp-content/uploads/2021/06/CSR-Policy.pdf
Policy on Material Subsidiaries	This policy is used to determine the material subsidiaries and material non-listed Indian subsidiaries of the company and to provide the governance framework for them.	https://www.gati.com/pdf/Investors/announcements/Policy-on-material-subsidiaries.pdf
Related Party Transaction Policy	This policy regulates all transactions between the company and its related parties.	https://www.gati.com/wp-content/uploads/2021/06/RPT-Policy.pdf
Code of Practices Procedures for Fair Disclosure of UPSI	This Code serves as a guiding charter for all concerned persons associated with the functioning of the company and their dealings in its securities. Further, the Code also seeks to ensure timely and adequate disclosure of Price Sensitive Information to the investor community / other relevant stakeholders, by the company to enable them to take informed decisions with regard to the Company's securities.	https://www.gati.com/wp-content/uploads/2019/04/Code-of-Practices-Procedures-for-Fair-Disclosure-of-UPSI.pdf
Dividend Distribution Policy	This Policy lays down a broad framework for considering decisions by the Board of Directors of the Company ("Board") with regard to distribution of dividend to its shareholders by striking a balance between pay-out and retaining earnings on the basis of the future growth strategy of the Company.	https://www.gati.com/wp-content/uploads/2021/06/Dividend-Distribution-Policy.pdf

For and on behalf of the Board

Place: Hyderabad
Date: May 25, 2021

Shashi Kiran Shetty
Chairman & Managing Director
DIN: 00012754

Annexure-F

REPORT ON CORPORATE GOVERNANCE

This report is prepared in accordance with the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), and the report contains the details of Corporate Governance systems and processes at Gati Limited ('Gati' or 'the Company').

Corporate governance is the set of processes, customs, policies, laws and institutions affecting the way a company is directed, administered or controlled. It is a system of structuring, operating and controlling a company with a view to achieve long term strategic goals to satisfy shareholders, creditors, employees, customers and suppliers.

Corporate governance is based on principles such as conducting the business with all integrity and fairness, being transparent with regard to all transactions, making all the necessary disclosures and decisions, complying with all the laws of the land, accountability and responsibility towards the stakeholders and commitment to conducting business in an ethical manner.

Company's Philosophy

Gati Limited ('Gati' or 'the Company') believes that timely disclosures, transparent accounting policies and a strong and independent Board go a long way in maintaining good corporate governance, preserving shareholders' trust and maximizing long-term corporate value.

The Company's philosophy on Corporate Governance focuses on the attainment of the highest standards of transparency, accountability, ethics and equity with management flexibility, empowerment and responsiveness in the interest of shareholders,

customers, employees, business associates and the society at large.

Gati's corporate governance framework is based on the following main principles:

- Appropriate composition and size of the Board;
- Timely flow of information to the members of the Board and Board Committees;
- Well developed systems and processes for risk management and financial reporting;
- Timely and accurate disclosure of all material operational and financial information.

Board of Directors

As on March 31, 2021, the Company has Seven Directors, Of the Seven Directors, Six (i.e. 85.71 percent) are Non-Executive Directors out of which Four (i.e. 57.14 percent) are Independent Directors. The profiles of Directors can be found on <https://www.gati.com/about-us/management/bod/>. The composition of the Board is in conformity with Regulation 17 of the Listing Regulations read with Section 149 of the Companies Act, 2013. The composition of the Board also represents an optimal mix of professionalism, knowledge, experience and enables the Board to discharge its responsibilities and provide effective leadership to the business. The Board's actions and decisions are aligned with the Company's best interests. It is committed to the goal of sustainably elevating the Company's value creation. The Board critically evaluates the Company's strategic direction, management policies and their effectiveness.

Name	Category
Mr. Shashi Kiran Shetty (DIN: 00012754) ^(a)	Executive, Chairman & Managing Director
Mr. Kaiwan Kalyaniwalla (DIN: 00060776)	Non - Executive, Non-Independent Director
Mr. Dinesh Kumar Lal (DIN: 00037142)	Non - Executive, Independent Director
Ms. Cynthia D'souza (DIN: 00420046)	Non - Executive, Independent Director
Mr. Nilesh Shivji Vikamsey (DIN: 00031213) ^(b)	Non - Executive, Independent Director
Mr. P N Shukla (DIN: 01868580)	Non - Executive, Independent Director
Mr. Yasuhiro Kaneda (DIN: 07619127) ^(c)	Non - Executive, Nominee Director
Mr. K L Chugh (DIN: 00140124) ^(d)	Non - Executive, Independent Director
Mr. Mahendra Agarwal (DIN: 00179779) ^(e)	Executive, Managing Director, Founder & CEO (Promoter)
Mr. N Srinivasan (DIN: 00004195) ^(f)	Non - Executive, Independent Director
Dr. P S Reddy (DIN: 00608915) ^(g)	Non - Executive, Independent Director
Dr. Savita Date Menon (DIN: 08528271) ^(h)	Non - Executive, Independent Director
Mr. M.P. Bansal (DIN: 01626343) ⁽ⁱ⁾	Non - Executive, Independent Director
Mr. Adarsh Hegde (DIN: 00035040) ^(j)	Non - Executive, Non-Independent Director
Mr. Jatin Chokshi (DIN: 00495015) ^(k)	Non - Executive, Non-Independent Director

Notes:

- (a) Mr. Shashi Kiran Shetty was appointed as the Chairman of the Board and Managing Director of the Company w.e.f. July 24, 2020 and November 04, 2020 respectively.
- (b) Mr. Nilesh Shivji Vikamsey was appointed as an Additional Independent Director on the Board of the Company w.e.f. February 05, 2021.
- (c) Nominee Director being Equity Investor in GKEPL, represents Kintetsu World Express (S) Pte Ltd.
- (d) w.e.f. July 24, 2020 Mr. K L Chugh resigned from the Board due to his age, ill health and stressful work environment. Further, it is confirmed that there were no other material reasons for his resignation.
- (e) w.e.f. September 28, 2020 Mr. Mahendra Agarwal resigned from the Board pursuant to the Share Purchase Agreement entered by him along with two other Promoter group members ("Sellers") with Allcargo Logistics Limited ("Acquirer") on December 05, 2019.
- (f) w.e.f. January 01, 2021 Mr. N Srinivasan resigned from the Board due to his advanced age and related health issues. Further, it is confirmed that there were no other material reasons for his resignation.
- (g) w.e.f. July 08, 2020 Dr. P S Reddy resigned from the Board due to his personal reasons. Further, it is confirmed that there were no other material reasons for his resignation.
- (h) w.e.f. October 12, 2020 Dr. Savita Date Menon resigned from the Board due to the transition of the Company into a new Management. Further, it is confirmed that there were no other material reasons for her resignation.
- (i) Mr. M.P. Bansal was appointed as an Independent Director on the Board of Company w.e.f. July 03, 2020 and w.e.f. March 04, 2021

he resigned from the Board due to his personal reasons. Further, it is confirmed that there were no other material reasons for his resignation.

- (j) Mr. Adarsh Hegde was appointed as an Additional Director on the Board of Company w.e.f. July 03, 2020 and w.e.f. October 05, 2020 he resigned from the Board due to his pre-occupations and other professional commitments.

- (k) Mr. Jatin Chokshi was appointed as an Additional Director on the Board of Company w.e.f. July 03, 2020 and w.e.f. October 05, 2020 he resigned from the Board due to his pre-occupations and other professional commitments.

The composition of Board/Committees can be found on <https://www.gati.com/investor-relations/committees-of-the-board/>.

Each Director informs the Company on an annual basis about the Board and Board Committee positions he occupies in other companies including Chairmanships and notifies changes periodically and regularly during the term of their directorship in the Company. None of the Directors on the Board hold directorship in more than ten public companies. None of the Independent Directors serve as an Independent Director on more than seven listed companies. None of the Directors of the Company is related to each other. Further, none of the Directors on the Board are Members of more than ten Committees or Chairman of more than five Committees across all the public companies in which they are Directors.

The number of other directorships, committee chairmanships/memberships held in other companies by each of the Directors as on March 31, 2021 is tabled below:

Name	No. of Directorships and Committee Membership / Chairmanship in other Public Companies			Directorship in other Listed Entity and Category of Directorship
	Other Directorships	Committee **		
		Chairmanship	Membership	
Mr. Shashi Kiran Shetty	1	0	1	1. Allcargo Logistics Limited (Promoter, Executive Director)
Mr. Kaiwan Kalyaniwalla	1	0	1	1. Modern India Limited (Non-Executive, Independent Limited)
Mr. Dinesh Kumar Lal	5	0	2	1. Raymond Limited (Non-Executive, Independent Limited)
Ms. Cynthia D'souza	2	0	0	1. Allcargo Logistics Limited (Non-Executive, Independent Director)
Mr. Nilesh Shivji Vikamsey	8	2	6	1. IIFL Finance Limited (Non-Executive, Independent Director) 2. IIFL Wealth Management Limited (Non-Executive, Independent Director) 3. Navneet Education Limited (Non-Executive, Non-Independent Director) 4. Thomas Cook (India) Limited (Non-Executive, Independent Director) 5. PNB Housing Finance Limited (Non-Executive, Independent Director)
Mr. P N Shukla	1	1	1	0
Mr. Yasuhiro Kaneda	0	0	0	0

** Chairmanships / Memberships of Board Committees include only Audit and Stakeholders Relationship Committees.

List of Core Skills/ Expertise/ Competencies required and available with the Board

A chart or matrix setting out the list of core skills / expertise / competencies identified by the Board of Directors as required in the context of its business(es) and sector(s) for it to function effectively are as under :-

Sl. No.	Names of Directors	Skill/Expertise/Competency				Industry experience, Global Business & Business acumen
		Finance and Accounting	Corporate Governance and Listing Regulations	Sales, Marketing And Programming	General Administration	
1.	Mr. Shashi Kiran Shetty	√	√	√	√	√
2.	Mr. Kaiwan Kalyaniwalla		√		√	√
3.	Mr. Dinesh Kumar Lal	√			√	√
4.	Ms. Cynthia D'souza		√	√	√	
5.	Mr. Nilesh Shivji Vikamsey	√	√		√	√
6.	Mr. P N Shukla	√	√	√	√	√
7.	Mr. Yasuhiro Kaneda	√			√	√

In the above table, specific areas of focus or expertise of individual Board members have been highlighted, however, the absence of a mark against a member's name does not necessarily mean that the member does not possess the corresponding qualification or skill.

Meetings of the Board

The Board of Directors must meet at least four times a year, with a maximum time gap of 120 days between two Board meetings. During the financial year 2020-21, the Board met ten times: on July 03, 2020, July 24, 2020, August 19, 2020, September 05, 2020, September 14, 2020, September 28, 2020, October 09, 2020, November 04, 2020, February 05, 2021 and March 15, 2021. The necessary quorum was present at all the meetings. Due to the exceptional circumstances caused by the Covid-19 pandemic and consequent relaxations granted by Ministry of Corporate Affairs and Securities and Exchange Board of India, all Board Meetings in the financial year 2020-21 were held through Video Conferencing. The proceedings of the meetings held through Video Conferencing are duly recorded by the Company.

The below table gives the composition of the Board, their attendance at the board meetings held during the year and at the previous Annual General Meeting held on December 28, 2020 and also the shareholding.

Name	Category and Designation	Attendance particulars		No. of Equity shares
		Board meetings	Last AGM	
Mr. Shashi Kiran Shetty ^(a)	Executive, Chairman & Managing Director	10/10	Yes	-
Mr. Kaiwan Kalyaniwalla	Non - Executive, Non-Independent Director	10/10	Yes	-
Mr. Dinesh Kumar Lal	Non - Executive, Independent Director	09/09	Yes	-
Ms. Cynthia D'souza	Non - Executive, Independent Director	08/09	Yes	-
Mr. Nilesh Shivji Vikamsey ^(b)	Non - Executive, Independent Director	02/02	N.A.	-
Mr. P N Shukla	Non - Executive, Independent Director	10/10	Yes	16,000
Mr. Yasuhiro Kaneda ^(c)	Non - Executive, Nominee Director	09/10	Yes	-
Mr. K L Chugh ^(d)	Non - Executive, Independent Director	01/01	N.A.	N.A.
Mr. Mahendra Agarwal ^(e)	Executive, Managing Director, Founder & CEO (Promoter)	05/06	N.A.	N.A.
Mr. N Srinivasan ^(f)	Non - Executive, Independent Director	07/08	Yes	N.A.
Dr. P S Reddy ^(g)	Non - Executive, Independent Director	01/01	N.A.	N.A.
Dr. Savita Date Menon ^(h)	Non - Executive, Independent Director	07/07	N.A.	N.A.
Mr. M.P. Bansal ⁽ⁱ⁾	Non - Executive, Independent Director	06/08	Yes	N.A.
Mr. Adarsh Hegde ^(j)	Non - Executive, Non-Independent Director	05/05	N.A.	N.A.
Mr. Jatin Chokshi ^(k)	Non - Executive, Non-Independent Director	05/05	N.A.	N.A.

Notes:

- (a) Mr. Shashi Kiran Shetty was appointed as the Chairman of the Board and Managing Director of the Company w.e.f. July 24, 2020 and November 04, 2020 respectively.
- (b) Mr. Nilesh Shivji Vikamsey was appointed as an Additional Independent Director on the Board of the Company w.e.f. February 05, 2021.
- (c) Nominee Director being Equity Investor in GKEPL, represents Kintetsu World Express (S) Pte Ltd.
- (d) w.e.f. July 24, 2020 Mr. K L Chugh resigned from the Board due to his age, ill health and stressful work environment. Further, it is confirmed that there were no other material reasons for his resignation.
- (e) w.e.f. September 28, 2020 Mr. Mahendra Agarwal resigned from the Board pursuant to the Share Purchase Agreement entered by him along with two other Promoter group members ("Sellers") with Allcargo Logistics Limited ("Acquirer") on December 05, 2019.

- (f) *w.e.f. January 01, 2021 Mr. N Srinivasan resigned from the Board due to his advanced age and related health issues. Further, it is confirmed that there were no other material reasons for his resignation.*
- (g) *w.e.f. July 08, 2020 Dr. P S Reddy resigned from the Board due to his personal reasons. Further, it is confirmed that there were no other material reasons for his resignation.*
- (h) *w.e.f. October 12, 2020 Dr. Savita Date Menon resigned from the Board due to the transition of the Company into a new Management. Further, it is confirmed that there were no other material reasons for her resignation.*
- (i) *Mr. M.P. Bansal was appointed as an Independent Director on the Board of Company w.e.f. July 03, 2020 and w.e.f. March 04, 2021 he resigned from the Board due to his personal reasons. Further, it is confirmed that there were no other material reasons for his resignation.*
- (j) *Mr. Adarsh Hegde was appointed as an Additional Director on the Board of Company w.e.f. July 03, 2020 and w.e.f. October 05, 2020 he resigned from the Board due to his pre-occupations and other professional commitments.*
- (k) *Mr. Jatin Chokshi was appointed as an Additional Director on the Board of Company w.e.f. July 03, 2020 and w.e.f. October 05, 2020 he resigned from the Board due to his pre-occupations and other professional commitments.*

Information given to the Board:

The Company provides the following information to the Board and the Board Committees. Such information is submitted either as part of the agenda papers in advance of the meetings or by way of presentations and discussion materials during the meetings.

- Annual operating plans and budgets, capital budgets, updates and all variances;
- Quarterly, Half yearly, Nine months and Annual results of the Company and its subsidiaries;
- Detailed presentations on the business performance of the Company and its material subsidiaries;
- Declaration of dividend, if any;
- Minutes of meetings of the Audit Committee and other Committees;
- Contract in which Directors are interested;
- Update on the significant legal cases of the Company;
- Subsidiary companies minutes, financial statements and significant investments;
- Reviews the compliance reports of all laws applicable to the Company;
- Evaluates the Company's strategic direction, management policies, performance objectives and effectiveness of Corporate Governance practices.

In the path of digitalization and with a view to ensure its commitment to Go-Green initiative of the Government, the Company circulates to its Directors, notes for Board/Committee meetings through an electronic platform thereby ensuring high standards of security and confidentiality of Board papers.

Board Support

The Company Secretary is responsible for collation, review and distribution of all papers submitted to the Board and Committees thereof for consideration. The Company Secretary is also responsible for preparation of the Agenda and convening of the Board and Committee meetings. The Company Secretary attends all the meetings of the Board and its Committees, either in the capacity of Secretary of the Committees or Member of the Committee. The Company Secretary advises / assures the Board and its Committees on Compliance and Governance principles and ensures appropriate recording of minutes of the meetings.

Code of Conduct

The Company has adopted a code of conduct for all Board Members and Designated Senior Management of the Company. The duties of Independent Directors as laid down in the Companies Act, 2013, are incorporated in the Code of Conduct. The Code of Conduct is available on the website of the Company i.e. <https://www.gati.com/investor-relations/code-of-conduct/>. All Board members and senior management personnel have affirmed compliance with the code of conduct. A declaration signed by the Chairman to this effect is annexed at the end of this report.

Appointment and Tenure of Directors

The Directors of the Company are appointed / re-appointed by the Board on the recommendations of the Nomination and Remuneration Committee and approval of the Members at the General Meetings. In accordance with the Articles of Association of the Company, not less than two-thirds of the total number of Directors other than Independent Directors of the Company, are liable to retire by rotation at the AGM each year and, if eligible, offer themselves for re-election.

As regards the appointment and tenure of the Independent Directors, following is the policy adopted by the Board:

- The Company has adopted the provisions with respect to appointment and tenure of Independent Directors which are consistent with the Companies Act, 2013 and the Listing Regulations. The Company has also received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed both under the Companies Act, 2013 and Listing Regulations.
- The Independent Directors will serve a maximum of two terms of five years each, after the introduction of the Companies Act, 2013.
- The Company would not have any upper age limit of retirement of Independent Directors from the Board and their appointment and tenure will be governed by provisions of the Companies Act, 2013 and the Listing Regulations.
- In accordance, with the recently notified changes in the Listing Regulations, the Company shall ensure that the appointment of any Non-Executive Director who has attained the age of 75 years is approved by the Members by way of a Special Resolution.

Declaration by Independent Directors

The Company has on its Board, eminent Independent Directors who have brought in independent judgement to Board's deliberations including issues of strategy, risk management and overall governance. They have played a pivotal role in safeguarding the interests of all stakeholders.

The Independent Directors have submitted declarations that they meet the criteria of Independence laid down under the Companies Act, 2013 and the Listing Regulations and have confirmed that they do not hold directorship more than the prescribed limit in the Listing Regulations. The Company has also issued formal appointment letters to all the Independent Directors in the manner provided under the Companies Act, 2013 read with the Rules issued thereunder.

Separate meetings of the Independent Directors

Schedule IV of the Companies Act, 2013, Listing Regulations and Secretarial Standard - 1 on Meetings of the Board of Directors mandates that the Independent Directors of the Company hold at least one meeting in a year, without the attendance of non – Independent Directors. During the financial year 2020-21, one meeting of the Independent Directors was held on March 30, 2021. The Independent Directors, inter-alia, reviewed the performance of Non-Independent Director, Board as a whole and Chairman of the Company, taking into account the views of Executive Directors and Non-Executive Directors.

Familiarisation programmes to Independent directors

The Board familiarization programme comprises the following:-

- Induction Programme for new Independent Directors;
- Immersion sessions on business and functional issues;

All new Independent Directors are taken through a detailed induction and familiarisation programme when they join the Board of your Company. The induction programme is an exhaustive one that covers the history and culture of company, background of the Company and its growth over the last several decades, various milestones in the Company's existence since its incorporation, the present structure and an overview of the businesses and functions.

As part of the induction sessions, the Managing Director provides an overview of the Organisation its history, culture, values and purpose. The Business and Functional Heads take the Independent Directors through their respective businesses and functions. The Independent Directors are exposed to the constitution, Board procedures, matters reserved for the Board and major risks facing the business and mitigation programmes. The Independent Directors are made aware of their roles and responsibilities at the time of their appointment and a detailed Letter of Appointment is issued to them.

In the Board Meetings, immersion sessions deal with different parts of the business and bring out all facts of the business besides

the shape of the business. These immersion sessions provide a good understanding of the business to the Independent Directors. Similar immersion sessions are also convened for various functions of the Company. These sessions are also an opportunity for the Board to interact with the next level of management. To make these sessions meaningful and insightful, pre-reads are circulated in advance. There are opportunities for Independent Directors to interact amongst themselves every quarter.

The details of programs for familiarization of the Independent Directors are available on the Company's website and can be accessed through the web link: <https://www.gati.com/investor-relations/familiarization-programmes/>

Committees of the Board

The Board Committees play a crucial role in the governance structure of the Company and have been constituted to deal with specific areas / activities as mandated by applicable regulation; which concern the Company and need a closer review. The Board Committees are set up under the formal approval of the Board to carry out clearly defined roles which are considered to be performed by Members of the Board, as a part of good governance practice. The Chairman of the respective Committees informs the Board about the summary of the discussions held in the Committee Meetings. The minutes of the meetings of all Committees are placed before the Board for review. The Board Committees can request special invitees to join the meeting, as appropriate.

The Company has five Board-level Committees, namely:

1. Audit Committee
2. Nomination & Remuneration Committee
3. Stakeholders Relationship Committee
4. Corporate Social Responsibility Committee
5. Risk Management Committee

Audit Committee:

The management is responsible for the Company's internal controls and the financial reporting process while the statutory auditors are responsible for performing independent audits of the Company's financial statements in accordance with generally accepted auditing practices and for issuing reports based on such audits. The Board of Directors has constituted and entrusted the Audit Committee with the responsibility to supervise these processes and thus ensure accurate and timely disclosures that maintain the transparency, integrity and quality of financial control and reporting. The constitution of the Audit Committee also meets with the requirements of Section 177 of the Companies Act, 2013 and Listing Regulations.

The primary responsibilities of the Audit Committee are to:

- i. overseeing the Company's financial reporting process and disclosure of financial information to ensure that the financial statement are correct, sufficient and credible;

- ii. reviewing and examining with management the quarterly and annual financial results and the auditors' report thereon before submission to the Board for approval;
- iii. reviewing the Management Discussion and Analysis of the financial condition and result of operations;
- iv. reviewing with management, Statutory Auditors and Internal Auditor, the adequacy of internal control systems;
- v. formulating in consultation with the Internal Auditor, the scope, functioning, periodicity and methodology for conducting the internal audit;
- vi. reviewing the adequacy of internal audit function and discussing with Internal Auditor any significant finding and reviewing the progress of corrective actions on such issues;
- vii. evaluating internal financial controls and risk management systems;
- viii. reviewing and monitoring the auditor's independence and performance and effectiveness of audit process; reviewing management letters / letters of internal control weaknesses issued by the Statutory Auditors;
- ix. recommending the appointment, remuneration and terms of appointment of Statutory Auditors of the Company and approval for payment of any other services;
- x. Ensure that adequate safeguards have been taken for legal compliance for the Company;
- xi. reviewing, approving or subsequently modifying any Related Party Transactions in accordance with the Related Party Transaction Policy of the Company;
- xii. reviewing the functioning of the Whistle Blowing mechanism;
- xiii. any other matter referred to by the Board of Directors.

The Audit Committee comprises of Independent Directors and Non-Executive Directors as on March 31, 2021. All members of the Audit Committee are financially literate and bring in expertise in the fields of finance, economics, strategy and management.

During the financial year 2020-21, the Audit Committee met six times viz., on July 03, 2020, September 14, 2020, October 09, 2020, November 11, 2020, February 05, 2021 and March 15, 2021. The below table gives the composition and attendance record of the Audit Committee.

S. No	Name	Position	Number of meetings during the financial year	
			Held	Attended
1	Mr. N Srinivasan ^(a)	Chairman	04	04
2	Dr. Savita Date Menon ^(b)	Member	01	01
3	Dr. P. S. Reddy ^(c)	Member	01	00
4	Mr. Kaiwan Kalyaniwalla ^(d)	Member	06	06
5	Mr. Mohinder Pal Bansal ^(e)	Member	04	03
6	Mr. Dinesh Kumar Lal ^(f)	Member	05	05
7	Mr. Nilesh Shivji Vikamsey ^(g)	Chairman	01	01

Notes:

- (a) w.e.f. January 01, 2021 Mr. N Srinivasan resigned from the Board due to his advanced age and related health issues. Further, it is confirmed that there were no other material reasons for his resignation.
- (b) w.e.f. October 12, 2020 Dr. Savita Date Menon resigned from the Board due to the transition of the Company into a new Management. Further, it is confirmed that there were no other material reasons for her resignation.
- (c) w.e.f. July 08, 2020 Dr. P S Reddy resigned from the Board due to his personal reasons. Further, it is confirmed that there were no other material reasons for his resignation.
- (d) Mr. Kaiwan Kalyaniwalla was appointed as a Member of the Committee w.e.f. April 01, 2020.
- (e) Mr. M.P. Bansal was appointed as an Independent Director on the Board of Company w.e.f. July 03, 2020 and w.e.f. March 04, 2021 he resigned from the Board due to his personal reasons. Further, it is confirmed that there were no other material reasons for his resignation.
- (f) Mr. Dinesh Kumar Lal was appointed as a Member of the Committee w.e.f. July 24, 2020.
- (g) Mr. Nilesh Shivji Vikamsey was appointed as a Chairman of the Committee w.e.f. February 05, 2021.

The Audit Committee invites such of the executives, as it considers appropriate, Statutory Auditors and Internal Auditors to be present at its meetings. The Company Secretary acts as the Secretary to the Audit Committee. The Audit Committee also meets the Statutory Auditors and Internal Auditors separately, without the presence of management representative.

Mr. N Srinivasan, the then Chairman of the Audit Committee has attended the previous Annual General Meeting held on December 28, 2020.

Nomination & Remuneration Committee:

The Board has constituted Nomination & Remuneration Committee consisting of 3 Independent Directors and One Non-Independent Director. The terms of reference of the Committee cover evaluation of compensation and benefits for Executive Director(s), Non-Executive Director(s), Senior Management Employees, framing of policies and systems of the Employee Stock Option Scheme and looking after the issues relating to major HR policies.

During the financial year 2020-21, the Committee met four times i.e., on July 03, 2020, October 09, 2020, November 04, 2020 and February 05, 2021. The below table gives the composition and attendance record of the Nomination & Remuneration Committee.

S. No	Name	Position	Number of meetings during the financial year	
			Held	Attended
1.	Mr. P N Shukla	Chairman	04	04
2.	Mr. K L Chugh ^(a)	Member	01	01
3.	Mr. Yasuhiro Kaneda	Member	04	03
4.	Mr. Shashi Kiran Shetty ^(b)	Member	04	02
5.	Ms. Cynthia D'souza ^(c)	Member	03	03

Notes:

- (a) w.e.f. July 24, 2020 Mr. K L Chugh resigned from the Board due to his age, ill health and stressful work environment. Further, it is confirmed that there were no other material reasons for his resignation.
- (b) Mr. Shashi Kiran Shetty was appointed as a Member of the Committee w.e.f. April 01, 2020 and also ceased to be a Member of the Committee w.e.f. May 25, 2021.
- (c) Ms. Cynthia D'souza was appointed as a Member of the Committee w.e.f. July 24, 2020.

The Company Secretary of the Company act as the secretary of the Committee.

Board Evaluation

The Board of Directors has carried out an annual evaluation of its own performance, board committees, and individual directors pursuant to the provisions of the Companies Act, 2013, Listing Regulations and the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India on January 5, 2017 and based on the criteria set by the Nomination & Remuneration Committee. An online platform has been provided to each Director for their feedback and evaluation.

The performance of the board was evaluated by the board after seeking inputs from all the directors on the basis of criteria such as the board composition and structure, effectiveness of board processes, information and functioning, etc.

The performance of the committees was evaluated by the board after seeking inputs from the committee members on the basis of criteria such as the composition of committees, effectiveness of committee meetings, etc.

In a separate meeting of independent directors, performance of non-independent directors, the Chairman of the Company and the board as a whole was evaluated, taking into account the views of executive directors and non-executive directors.

The Board and the Nomination and Remuneration Committee reviewed the performance of individual directors on the basis of criteria such as the contribution of the individual director to the board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc.

In the board meeting that followed the meeting of the independent directors and meeting of Nomination and Remuneration Committee, the performance of the board, its committees, and individual directors was also discussed.

Performance evaluation of independent directors was done by the entire board, excluding the independent director being evaluated.

Remuneration policy

The Nomination & Remuneration Policy of your company is available on the website of the company i.e. <https://www.gati.com/investor-relations/policies/>

Directors Remuneration

The remuneration paid/payable to the Directors is given below:

a) Executive Director: - NIL

b) Non-Executive Directors: -

The Sitting fee and commission payable to the Non-Executive Directors during the year under review is in conformity with the applicable provisions of the Companies Act, 2013 and duly considered and approved by the Board and the shareholders.

The details of sitting fee paid to the Non-Executive Directors during the financial year 2020-21 and proposed commission are as follows:

Name	Sitting fee (₹)	Commission (₹)
Mr. Shashi Kiran Shetty ^(a)	-	-
Mr. Kaiwan Kalyaniwalla	-	-
Mr. Dinesh Kumar Lal	3,35,000	-
Ms. Cynthia D'souza	2,65,000	-
Mr. Nilesh Shivji Vikamsey	65,000	-
Mr. P N Shukla	3,26,000	-
Mr. Yasuhiro Kaneda ^(b)	-	-
Mr. K L Chugh ^(c)	56,000	-
Mr. Mahendra Agarwal ^(d)	-	-
Mr. N Srinivasan ^(e)	2,74,000	-
Dr. P S Reddy ^(f)	40,000	-
Dr. Savita Date Menon ^(g)	2,29,000	-
Mr. M.P. Bansal ^(h)	2,10,000	-
Mr. Adarsh Hegde ⁽ⁱ⁾	-	-
Mr. Jatin Chokshi ^(j)	-	-
TOTAL	18,00,000	-

Notes:

- (a) Mr. Shashi Kiran Shetty was appointed as the Chairman of the Board and Managing Director of the Company w.e.f. July 24, 2020 and November 04, 2020 respectively.
- (b) Nominee Director being Equity Investor in GKEPL, represents Kintetsu World Express (S) Pte Ltd.
- (c) w.e.f. July 24, 2020 Mr. K L Chugh resigned from the Board due to his age, ill health and stressful work environment. Further, it is confirmed that there were no other material reasons for his resignation.
- (d) w.e.f. September 28, 2020 Mr. Mahendra Agarwal resigned from the Board pursuant to the Share Purchase Agreement entered by him along with two other Promoter group members ("Sellers") with Allcargo Logistics Limited ("Acquirer") on December 05, 2019.
- (e) w.e.f. January 01, 2021 Mr. N Srinivasan resigned from the Board due to his advanced age and related health issues. Further, it is confirmed that there were no other material reasons for his resignation.
- (f) w.e.f. July 08, 2020 Dr. P S Reddy resigned from the Board due to his personal reasons. Further, it is confirmed that there were no other material reasons for his resignation.
- (g) w.e.f. October 12, 2020 Dr. Savita Date Menon resigned from the Board due to the transition of the Company into a new Management. Further, it is confirmed that there were no other material reasons for her resignation.
- (h) Mr. M.P. Bansal was appointed as an Independent Director on the Board of Company w.e.f. July 03, 2020 and w.e.f. March 04, 2021

he resigned from the Board due to his personal reasons. Further, it is confirmed that there were no other material reasons for his resignation.

- (i) Mr. Adarsh Hegde was appointed as an Additional Director on the Board of Company w.e.f. July 03, 2020 and w.e.f. October 05, 2020 he resigned from the Board due to his pre-occupations and other professional commitments.
- (j) Mr. Jatin Chokshi was appointed as an Additional Director on the Board of Company w.e.f. July 03, 2020 and w.e.f. October 05, 2020 he resigned from the Board due to his pre-occupations and other professional commitments.

No Commission for the financial year 2020-21 will be paid to the Directors.

Other than above, there are no pecuniary or business relationship between the Non-Executive Directors and company and also between all the Directors.

Stakeholders Relationship Committee:

The Board has constituted Stakeholders Relationship Committee consisting of One Independent Directors and Two Non-Independent Director.

The Stakeholders Relationship Committee is empowered to perform the functions of the Board relating to handling of stakeholders' queries and grievances. It primarily focuses on:

- i. Consider and resolve the grievances of shareholders of the Company with respect to transfer & transmission of shares, non-receipt of annual report, non-receipt of declared dividend, etc;

An analysis of the investor complaints received and redressed during the financial year 2020-21 is given below:

Sl. No.	Nature of Complaint	Received	Disposed	Pending	Not resolved to the satisfaction
					of shareholders
1	Non receipt of dividend warrants	38	38	Nil	Nil
2	Non receipt of Annual Report	Nil	Nil	Nil	Nil
3	Non-receipt of stock split shares	02	02	Nil	Nil

Name, designation and address of Compliance Officer:

Mrs. T.S. Maharani

Company Secretary & Compliance Officer
 Plot no. 20, Survey no.12
 Kothaguda, Kondapur, Hyderabad – 500 084
 Tel: +91 040 7120 4284, Fax: +91 040 2311 2318
 Email: investor.services@gati.com, Website: www.gati.com

The company obtains half yearly certificate from a company Secretary in Practice under Regulation 40(9) of the Listing Regulations, confirming the issue of certificates for transfer, sub-division, consolidation etc. and submits a copy thereof to the Stock Exchanges in terms of Regulation 40(10) of the Listing Regulations. Further, the compliance certificate under Regulation 7(3) of the Listing Regulations, confirming that all activities in relation to both physical and electronic share transfer facility are maintained by Registrar and Share Transfer Agent registered with the Securities and Exchange Board of India is also filed with Stock Exchanges on a half yearly basis.

- ii. Evaluate performance and service standards of the Registrar and Share Transfer Agent of the Company;
- iii. Provide guidance and make recommendations to improve investor service levels for the investors.
- iv. Any other matter referred to by the Board of Directors.

During the financial year 2020-21, the Committee met one time i.e., on February 05, 2021. The below table gives the composition and attendance record of the Stakeholders Relationship Committee.

S. No	Name	Position	Number of meetings during the financial year	
			Held	Attended
1.	Ms. Cynthia D'souza ^(a)	Chairperson	01	01
2.	Mr. Yasuhiro Kaneda	Member	01	00
3.	Mr. Kaiwan Kalyaniwalla ^(b)	Member	01	01

Notes:

(a) Ms. Cynthia D'souza was appointed as a Member of the Committee w.e.f. July 24, 2020.

(b) Mr. Kaiwan Kalyaniwalla was appointed as a Member of the Committee w.e.f. July 24, 2020.

The Company Secretary of the Company act as the secretary of the Committee and also designated as Compliance Officer.

In order to expedite the process of transfers of shares, transmission of shares etc. the Board has delegated the powers to certain officers of the Company.

In accordance with Regulation 76 of the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 and SEBI Circular No. D&CC/FITTC/Cir- 16/2002 dated December 31, 2002, a qualified practicing company secretary carried out a share capital audit to reconcile the total admitted equity share capital with NSDL and CDSL and the total issued and listed equity share capital. The Audit Report confirms that the total issued and paid-up share capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

Corporate Social Responsibility Committee (CSR):

Corporate Social Responsibility (CSR) is an integral part of our culture and constantly seeks opportunities to give back to the society and hope to make a difference to the lives of people by sharing our business success with them.

The main objective of the CSR Policy is to lay down guidelines and also make CSR as one of the key business drivers for sustainable

development of the environment and the society in which GATI operates in particular and the overall development of the global community at large.

The role of the Corporate Social Responsibility Committee is as follows:

- i. Formulating and recommending to the Board the CSR Policy and activities to be undertaken by the company;
- ii. Recommending the amount of expenditure to be incurred on CSR activities of the company;
- iii. Reviewing the performance of the Company in the area of CSR;
- iv. Providing external and independent oversight and guidance on the environmental and social impact of how the company conducts its business;
- v. Monitoring CSR policy of the company from time to time;
- vi. Monitoring the implementation of the CSR projects or programs or activities undertaken by the company.
- vii. Any other matter referred to by the Board of Directors.

The Board has constituted Corporate Social Responsibility Committee consisting of Two Independent Directors and One Non-Independent Director.

During the financial year 2020-21, the Committee met two times i.e., on August 19, 2020 and February 05, 2021. The below table gives the composition and attendance record of the Corporate Social Responsibility Committee.

S. No	Name	Position	Number of meetings during the financial year	
			Held	Attended
1.	Mr. Shashi Kiran Shetty ^(a)	Chairman	02	01
2.	Ms. Cynthia D'souza ^(b)	Member	01	01
3.	Mr. Dinesh Kumar Lal ^(c)	Member	02	02
4.	Mr. Mahendra Agarwal ^(d)	Chairman	01	00
5.	Mr. Kaiwan Kalyaniwalla ^(e)	Chairman	-	-

Notes:

- (a) Mr. Shashi Kiran Shetty was appointed as a Member of the Committee w.e.f. July 24, 2020 and also ceased to be a Member of the Committee w.e.f. May 25, 2021.
- (b) Ms. Cynthia D'souza was appointed as a Member of the Committee w.e.f. October 09, 2020.
- (c) Mr. Dinesh Kumar Lal was appointed as a Member of the Committee w.e.f. July 24, 2020.
- (d) w.e.f. September 28, 2020 Mr. Mahendra Agarwal resigned from the Board pursuant to the Share Purchase Agreement entered by him along with two other Promoter group members ("Sellers") with Allcargo Logistics Limited ("Acquirer") on December 05, 2019.
- (e) Mr. Kaiwan Kalyaniwalla was appointed as a Chairman of the Committee w.e.f. February 05, 2021.

The Company Secretary of the Company act as the secretary of the Committee.

The details of the CSR initiatives as per the CSR Policy of the Company forms part of the CSR Section in the Annual Report.

Risk Management Committee:

The Board has constituted Risk Management Committee w.e.f. May 25, 2021 consisting of One Independent Director, One Non-Independent Director and One Senior Executive Member of the Company viz., Mr. Nilesh Shivji Vikamsey, Chairman, Mr. Kaiwan Kalyaniwalla, Member and Mr. Rohan Mittal, Member, pursuant to the amendment to Regulation 21(5) of the Listing Regulations came up on May 05, 2021.

The terms of reference of the Committee covers the following:-

- Frame, Monitor and Implement the Risk Management Plan and Policy of the Company and review the Company's risk governance structure, risk assessment and risk management practices and guidelines, procedures for risk assessment and risk management;
- Adopting policies, systems for maintaining information/cyber security of the Company from preventing of global hacking incidents, losing of sensitive, confidential data etc;
- Identify, Review and Monitor risks of each business vertical and functions of the Company including strategic, financial, operational, currency, work place environment, safety & information security, regulatory and reputational risk periodically;
- Continually obtaining reasonable assurance from management heads of each business vertical that all known and emerging risks have been identified and mitigated or managed;
- Framing guidelines, policies and processes for monitoring and mitigating risks;
- Setting strategic plans and objectives for risk management and risk minimization;
- Overseeing the risk management process, controls, fraud risk assessment, risk tolerance, capital liquidity and funding;
- Review compliance with risk policies, monitor breach/trigger trips of risk tolerance limits and direct action;
- Development and deployment of risk mitigation plans to reduce the vulnerability to the prioritized risks and provide oversight of risk across organisation;
- Maintain, Update and Review Risk Registers from time to time;
- Delegate authorities from time to time to the Committee Members, Executives, Authorized persons to implement the decisions of the Committee and execution of necessary documents;
- To achieve sustainable business growth, protect the Company's assets, safeguard Members investment, ensure compliance with applicable laws and regulations and avoid major surprises of risks;

- To obtain advice and assistance from internal or external legal, accounting or other advisors;
- Periodically reporting to the Board;
- Performing such other functions as may be necessary or directed by the Board.

General Body Meetings

(a) Annual General Meeting:

Year(s)	Date of AGM	Time	Venue	No. of Special resolutions passed
2019-20	December 28, 2020	3:00 P.M.	Meeting conducted through VC/OAVM pursuant to the MCA Circulars.	3
2018-19	September 25, 2019	12:00 Noon	Plot No. 20, Survey No. 12, Kothaguda, Kondapur, Hyderabad, Telangana – 500 084	5
2017-18	September 18, 2018	3:00 P.M.	Plot No. 20, Survey No. 12, Kothaguda, Kondapur, Hyderabad, Telangana – 500 084	0

(b) Extraordinary General Meeting:

No extraordinary General Meeting of the members was held during the financial year 2020-21.

(c) Postal Ballot:

No Postal Ballot was conducted during the financial year 2020-21. Also, no resolution requiring postal ballot is proposed to be placed at the ensuing Annual General Meeting for obtaining shareholders' approval.

Disclosures

- i. Disclosures on materially significant related party transactions, which may have potential conflict with the interest of the Company at large:

There are no material related party transactions during the year that have conflict with the interest of the Company. Transactions entered into with related parties during the financial year were in the ordinary course of business and at arm's length basis and were approved by the Audit Committee. The Board's approved policy for related party transactions is uploaded on the website of the Company i.e., <https://www.gati.com/investor-relations/policies/>.

- ii. There were no penalties, and strictures imposed on the Company by the Stock Exchanges or Securities and Exchange Board of India or any statutory authority, on any matter related to capital markets, during the last three years except the following:

Sl. No.	Action taken by	Details of violation	Details of action taken E.g. fines/penalty	Action taken by the Company
1	BSE Limited	Non-appointment of Compliance officer under Regulation 6(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015	Imposing of fine of ₹37,760 including GST, during the financial year 2019-20.	Company has paid the same to BSE Limited in time.
2	National Stock Exchange of India Limited	Non-appointment of Compliance officer under Regulation 6(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015	Imposing of fine of ₹37,760 including GST, during the financial year 2019-20.	Company has paid the same to National Stock Exchange of India Limited in time.

Further, as per the Annual Secretarial Compliance Report issued by M/s. PUTTAPARTHI JAGANNATHAM & CO., the following non compliances were observed by them during the year:

Sl. No.	Compliance Requirement (Regulations/ circulars / guidelines including specific clause)	Deviations	Observations/ Remarks of the Practicing Company Secretary
1	Reg 24(1)- Common Independent Director on the Board of the unlisted material subsidiary	There was casual vacancy of common independent director on the Board of the unlisted material subsidiary w.e.f 5th December 2019 which was not filled till 5th October, 2020	The Position of Independent Director on the Board of its unlisted material subsidiary i.e. Gati Kintetsu Express Private Limited has become vacant on 5th December 2019 and the vacancy was filled on 5th October, 2020.

iii. Whistle blower policy:

The Company has adopted a Whistle Blower Policy and has established the necessary vigil mechanism as defined under Regulation 22 of Listing Regulations for directors and employees to report concerns about unethical behavior. No person has been denied access to the Chairman of the audit committee. The Vigil Mechanism Policy is available on the website of the Company i.e., <https://www.gati.com/investor-relations/policies/>.

iv. The Company has complied with all mandatory requirements of Listing Regulations.

v. Subsidiary Companies:

The Board of Directors has reviewed the financial statements and minutes of the Board meetings of Gati Kintetsu Express Private Limited (GKEPL), the materially unlisted subsidiary company. Mr. M P Bansal, Independent Director of the Company is also on the Board of GKEPL w.e.f. October 05, 2020 and also resigned w.e.f. March 04, 2021. Further, Mr. Nilesh Shivji Vikamsey, Independent Director of the Company was appointed on the Board of GKEPL w.e.f. May 18, 2021. The policy for determining 'material' subsidiaries is available on the website of the Company i.e., <https://www.gati.com/investor-relations/policies/>. Further, the Board of Directors has also reviewed the financial statements and minutes of the board meetings of all other subsidiary companies of the company.

vi. Disclosure of commodity price risks and commodity hedging activities: Not Applicable.

vii. The Company is preparing its financial statements in line with the Ind AS issued by the Institute of Chartered Accountants of India.

viii. During the financial year 2019-20, Company has raised ₹100,00,00,500/- through preferential issue by issuing and allotting 1,33,33,340 Fresh Equity Shares of the Company of face value of ₹2/- each for cash at a price of ₹75/- (including premium of ₹73/- per Equity Shares) to Allcargo Logistics Limited (Promoter). Details of utilization of funds raised through preferential allotment as specified under Regulation 32(7A) of the Listing Regulations are given below: -

Object of the Issue as per Extra-ordinary General Meeting Notice	Utilization of Funds up to March 31, 2021 (In ₹)	Unutilized amount as at March 31, 2021 (In ₹)
(i) to repay debt	100,00,00,500/-	NIL
(ii) to meet working capital requirement		
(iii) General Corporate Purpose		

ix. Total Fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/ network entity of which the statutory auditor is a part is given below:

Type of Service	Amount in Lakhs
Audit Fees	42
Tax Audit	1
Certification and other Fees	19
Total	62

x. A Certificate has been received from M/s. Puttaparthi Jagannatham & Co., Practising Company Secretaries, that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such authority.

xi. During the financial year 2020-21, No complaints regarding sexual harassment was received by the Company.

xii. During the Financial Year 2020-21, Board had accepted all the recommendation of committees of the Board.

Details of compliance with mandatory requirements

The Company has complied with all mandatory requirements specified in Regulation 17 to 27 and clause (b) to (i) of sub regulation (2) of regulation 46 of Listing Regulations.

Non-Mandatory Requirements

Audit qualification

During the year under review, there is an audit qualification on the company's financial Statements, which has been adequately explained in the director's report.

Reporting of Internal Auditor

The Internal Auditor exercises an Independent Audit and has direct access to the Audit Committee and he participates in the meetings of the Audit Committee of the Board of Directors of the Company and presents his internal audit observations to the Audit Committee.

CMD / CEO and CFO Certification:

The CMD / CEO and CFO of the Company provided certification on financial reporting and internal controls for the financial year 2020-21 to the Board of Directors at their meeting held on May 25, 2021, as required under Regulation 17(8) of Listing Regulations.

Means of Communication

i. Publication of results

The quarterly, half-yearly & nine months un-audited financial results and annual audited financial results of the Company were generally published in National level English newspaper(s) as well as regional language newspaper circulating in the state of Telangana.

ii. Website and News Release

The quarterly, half-yearly & nine months un-audited financial results and annual audited financial results are available on the website of the Company i.e. "www.gati.com". Official news releases, detailed presentations made to media, analysts, etc are available on the website of the Company i.e. www.gati.com. Your Company also makes timely disclosures of necessary information to BSE Limited and National Stock Exchange of India Limited in terms of the Listing Regulations and other rules and regulations issued by the Securities and Exchange Board of India.

Further following information is available on the website of the Company i.e. www.gati.com:

- Details of business of the Company;
- Terms and conditions of appointment of Independent Directors;
- Composition of various Committees of Board of Directors;
- Code of Conduct for Board of Directors and Senior Management Personnel;
- Details of establishment of vigil mechanism/ Whistle Blower policy;
- Criteria of making payments to Non-Executive Directors;
- Policy on dealing with Related Party Transactions;
- Policy for determining 'material' subsidiaries;
- Details of familiarization programs imparted to Independent Directors;
- Policy for determination of materiality of events.

NSE Electronic Application Processing System (NEAPS):

The NEAPS is a web-based application designed by NSE for corporates. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, among others are filed electronically on NEAPS.

BSE Corporate Compliance & Listing Centre (the 'Listing Centre'):

BSE's Listing Centre is a web-based application designed for corporates. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, among others are also filed electronically on the Listing Centre.

E-voting

Pursuant to the requirements of the Companies Act, 2013, and the Listing Regulations, Company is providing e-voting facility to its shareholders, in respect of all shareholders' resolutions, to be passed at the General Meetings.

Additional Shareholders' Information

Annual General Meeting:

Date: September 22, 2021.

Time: 3:00 PM

Mode of Meeting: Video Conferencing/Other Audio-Visual Means

Deemed Venue: Registered Office of the Company situated at Plot No. 20, Survey No. 12, Kothaguda, Kondapur, Hyderabad, Telangana – 500 084.

Financial Calendar

Financial Year – 1st April to 31st March

Tentative calendar for declaration of financial results in Financial Year 2021-22

Results for the quarter ended June 30, 2021	on or before August 14, 2021
Results for the quarter ended September 30, 2021	on or before November 14, 2021
Results for the quarter ended December 31, 2021	on or before February 14, 2022
Results for the year ended March 31, 2022	on or before May 30, 2022

Record date/Book Closure

The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, September 15, 2021 to Wednesday, September 22, 2021 (both days inclusive).

Dividend

In view of the loss incurred by the Company during the year, the Directors have not recommend any dividend on the equity shares of the Company for the financial year ended March 31, 2021.

Credit Rating

Details of credit rating assigned by CARE Ratings Limited are given below:

Facilities/ Instruments	Amount (In Crs)	Revised Rating (November 21, 2019)
Long Term Bank Facilities	36.18	Care BB+; Stable
Short Term Bank Facilities	5.00	Care A4+
Fixed Deposits	12.84	Care BB+; Stable

Unpaid/Unclaimed Dividends:

Pursuant to Sections 124 and 125 of the Companies Act, 2013, read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), dividends, if not claimed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF") set up by the Central Government. Accordingly, the company had to transfer to IEPF the following unpaid or unclaimed dividends and their corresponding shares during the financial year 2020-21:

Particulars	Amount of Dividend (in ₹)
Dividend for the Financial Year 2012-13	7,32,890/-

However, the Company is still in the process of transferring the aforementioned unclaimed dividend along with their corresponding shares which could not be transferred as per the requirement of IEPF rules due to technical glitch and lockdown as an impact of Covid-19.

The shareholders are requested to verify their records and claim their unclaimed dividends for the past years, if not claimed. The details of outstanding dividend accounts are given below.

Sl. no	Dividend for the year	Dividend %	Date of declaration	Due date for transfer
1	2013-14 : Final	35	05.08.2014	04.09.2021
2	2014-15: Interim	30	05.12.2014	04.01.2022
3	2014-15: Final	40	30.07.2015	29.08.2022
4	2015-16: Final	50	04.08.2016	03.09.2023
5	2016-17: Final	40	01.08.2017	31.08.2024
6	2017-18: Final	45	18.09.2018	17.10.2025
7	2018-19: Final	40	25.09.2019	24.10.2026

The Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on December 28, 2020 (date of last AGM) on the Company's website i.e., <https://www.gati.com/investor-relations/unclaimed-dividend-details/> and on the website of the Ministry of Corporate Affairs at www.iepf.gov.in/.

Unclaimed Equity Shares:

Section 124(6) read with the 'Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016' ('Rules'), as amended, requires that all shares, in respect of which dividend has not been claimed for seven consecutive years or more (relevant shares), shall be transferred by the Company in the name of IEPF along with statement containing such details as may be prescribed by the authority from time to time. The said requirement does not apply to shares in respect of which there is a specific order of Court, Tribunal or Statutory Authority, restraining transfer of the shares.

The Company is still in the process of transferring the corresponding shares which could not be transferred as per the requirement of IEPF rules due to technical glitch and lockdown as an impact of Covid-19.

The Company has appointed a Nodal Officer under the provisions of IEPF, the details of which are available on the website of the Company i.e. <https://www.gati.com/investor-relations/unclaimed-dividend-details/>.

Guidance for Investor to file claim

The members who have a claim on above dividends and shares may claim the same from IEPF Authority by submitting an online application in the prescribed Form No. IEPF-5 available on the website www.iepf.gov.in and sending a physical copy of the same, duly signed to the Company/Registrar & Share Transfer Agent, along with requisite documents enumerated in the Form No. IEPF-5. No claims shall lie against the Company in respect of the dividend/shares so transferred. Further, the Shareholders/claimant can file only one consolidated claim in a financial year as per the rules.

Unclaimed Shares as per Regulation 39 of the Listing Regulations.

As per the provisions of Regulation 39 of the Listing Regulations, the unclaimed shares lying in the possession of the Company are required to be dematerialized and transferred into a special Demat account held by the Company. The Company has already sent three reminders to the shareholders for Claiming those shares at their latest available address(es) with the Company or Depository, as the case may be. Accordingly, unclaimed shares lying with the Company have been transferred and dematerialized in a "Gati Limited - Unclaimed Suspense Account" of the Company. This Account is being held by the Company purely on behalf of the shareholders entitled for these shares.

It may also be noted that all the corporate benefits accruing on these shares like bonus, split etc., if any, shall also be credited to the said "Unclaimed Suspense Account" and the voting rights on these shares shall remain frozen until the rightful owner has claimed the shares. Shareholders who have not yet claimed their shares are requested to immediately approach the Secretarial Department of the Company or Registrar & Share Transfer Agent of the Company by forwarding a request letter duly signed by all the shareholders furnishing their complete postal address along with PIN code, a copy of PAN card & proof of address, and for delivery in demat form, a copy of Demat Account - Client Master Report duly certified by the Depository Participant (DP) and a recent Demat Account Statement, to enable the Company to release the said shares to the rightful owner.

The status of equity shares lying in the Suspense Account as on March 31, 2021 is as under:

Sl. No.	Particulars	No. of shareholders	No. of equity shares held
1	Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the beginning of the year	12	1325
2	Number of shareholders who approached the Company (with complete documentation) for transfer of shares from the Unclaimed Suspense Account during the year	0	0
3	Number of shareholders to whom shares were transferred from the Unclaimed Suspense Account during the year;	0	0
4	Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the end of the year.	12	1325

The dividend on the shares in the Unclaimed Suspense Account will be remitted to the Shareholders on their claiming the shares, till such time, that dividend will be available in the Unpaid Dividend Bank Account.

Code of Conduct for prohibition of Insider trading

Your company had adopted a Code of conduct as per Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time. All Directors, Senior Management Personnel, person forming part of Promoter(s)/Promoter(s) Group(s) and such other Designated persons who could have access to the Unpublished Price Sensitive Information of the Company are governed by this Code. During the year under review, the Company had made due compliance with Securities and Exchange Board of India (Prohibition of Insider trading) Regulations, 2015. The code of conduct is available on the website of the Company i.e. www.gati.com.

Listing on Stock Exchanges

The Company's shares are listed on BSE Limited (BSE), Floor 25, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001 and The National Stock Exchange of India Limited (NSE), Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051.

Listing Fees as applicable have been paid.

Stock Code:

- a) Trading scrip code on BSE : 532345
b) Trading scrip code on NSE : GATI

International Securities Identification Number (ISIN):

ISIN is a unique identification number of traded scrip. The Company's ISIN for equity shares is INE152B01027.

Market Price Data

The Monthly high and low prices of your company's share at BSE and NSE for the year ended March 31, 2021 are as under:

Month	NSE		BSE	
	High	Low	High	Low
Apr-2020	51.00	35.55	52.00	32.40
May-2020	38.75	35.25	38.95	35.00
Jun-2020	49.90	37.25	49.65	37.25
Jul-2020	55.00	41.50	54.80	41.50
Aug-2020	51.85	42.15	51.20	42.30
Sep-2020	58.30	41.75	58.30	41.95
Oct-2020	70.10	51.15	70.00	50.80
Nov-2020	98.35	59.50	98.45	59.55
Dec-2020	106.60	76.55	106.50	76.65
Jan-2021	105.80	85.00	105.45	84.05
Feb-2021	101.85	88.10	101.60	88.10
Mar-2021	118.45	92.10	118.50	92.10

Share price performance in comparison to broad based indices - BSE & NSE

Particulars	Gati share price v/s NSE		Gati share price v/s BSE	
	Share price(₹)	NSE Nifty	Share price(₹)	BSE Sensex
As on April 1, 2020	47.80	8253.80	47.80	28265.31
As on March 31, 2021	102.75	14690.70	102.65	49509.15
Changes (%)	114.96	77.99	114.75	75.16

Total equity as on March 31, 2021 was 12,19,45,977 (previous year 12,19,45,977) equity shares of ₹2/- each.

Share Transfer System

All queries and requests relating to share transfers/transmissions may be addressed to our Registrar and Transfer Agent:

Link Intime India Private Limited

C -101, 247 Park, L.B.S. Marg,
Vikhroli (West), Mumbai – 400 083
Maharashtra
Tel. No.:- +91 22 49186270
E-mail:- rnt.helpdesk@linkintime.co.in
Website:- www.linkintime.co.in

A summary of approved transfers, transmissions, deletion requests, etc. are placed before the Board of Directors from time to time as per the Listing Regulations.

Dematerialization of Shares and liquidity

Break up of shares in physical and demat form as on March 31, 2021:

Particulars	No of Shares	%
Physical Segment (A)	8,24,113	0.67
Demat Segment (B)		
NSDL	4,66,66,161	38.27
CDSL	7,44,55,703	61.06
Total (A+B)	12,19,45,977	100.00

The Securities and Exchange board of India (SEBI) at its Board Meeting held on March 28, 2018 revised the provisions relating to transfer of listed securities and decided that requests for effective transfer of listed securities shall not be processed unless the securities are held in the dematerialized form with a depository participant. The said measure of SEBI is aimed at curbing fraud and manipulation risk in physical transfer of securities by unscrupulous entities. Transfer of securities only in demat form will improve ease, convenience and safety of transactions for investors. The

said amendment got notified and is effective from April 1, 2019. Further, SEBI has fixed March 31, 2021 as the cut-off date for re-lodgement of transfer deeds and the shares that are re-lodged for transfer shall be issued only in demat mode.

Shareholders who continue to hold shares in physical form are advised to dematerialize their shares at the earliest. For any clarification, assistance or information, relating to dematerialization of shares the Company's RTA may be contacted.

Secretarial Audit

The Company has undertaken secretarial audit for the financial year 2020-21 which, inter alia, includes audit of compliance with the Companies Act, 2013 and the rules made thereunder, Listing Regulations and applicable regulations prescribed by the Securities and Exchange Board of India and Foreign Exchange Management Act, 1999 and Secretarial Standard issued by the Institute of the Company Secretaries of India. The Secretarial Audit Report forms part of the Annual Report.

Distribution of equity shareholding as on March 31, 2021:

No. of shares	No. of account	% of total account	No. of shares	% to Total shares
Upto 5,000	95,573	99.02	2,44,83,002	20.08
5,001 10,000	512	0.53	37,64,759	3.09
10,001 20,000	221	0.23	32,51,059	2.66
20,001 30,000	71	0.07	17,82,081	1.46
30,001 40,000	25	0.03	9,00,307	0.74
40,001 50,000	34	0.03	15,77,719	1.29
50,001 1,00,000	38	0.04	26,95,388	2.21
1,00,001 And above	47	0.05	8,34,91,662	68.47
TOTAL	96,521	100.00	12,19,45,977	100.00

Categories of equity shareholding as on March 31, 2021:

Sl. No	Category	No. of equity shares held	% of holding
1	Company Promoter / Promoter group	6,32,94,116	51.90
2	Foreign Institutional Investors	18,54,303	1.52
3	Banks / Mutual Funds / NBFC	84,177	0.07
4	Bodies Corporate	48,42,409	3.97
5	Individuals / HUF	4,43,61,753	36.38
6	Non Resident Indians	21,27,905	1.74
7	Foreign Corporate Bodies	43,29,114	3.55
8	IEPF	5,60,226	0.46
9	Clearing Members / Trusts	4,75,614	0.39
10	Foreign Nationals	360	0.00
11	Directors	16,000	0.01
	TOTAL	12,19,45,977	100.00

Outstanding GDRs / ADRs / Warrants or any convertible instruments, conversion date and likely impact on equity

There are no GDRs/ ADRs/ Warrants or any other convertible instrument outstanding as on March 31, 2021.

Plant Location: None

Address for Correspondence

All Members' correspondence should be forwarded to Link Intime India Private Limited, the Registrar and Transfer Agent of the Company or to the Secretarial Department at the Registered Office of the Company at the addresses mentioned below.

Link Intime India Private Limited
(Unit Gati Limited)
C -101, 247 Park, L.B.S. Marg,
Vikhroli (West), Mumbai – 400 083
Maharashtra
Toll-free No.: 1800 1020 878
Fax: 022 4918 6060
E-mail: rnt.helpdesk@linkintime.co.in
Website: www.linkintime.co.in

Gati Limited
Secretarial Department
Plot no.20, Survey no.12
Kothaguda, Kondapur
Hyderabad – 500 084
Tel: 040 7120 4284
Fax: 040 2311 2318
E-mail: investor.services@gati.com
website: www.gati.com

SEBI Complaints Redress System (SCORES):

The investors' complaints are also being processed through the centralized web base complaint redressal system of SEBI. The salient features of SCORES are availability of centralized database of the complaints and uploading online action taken reports by the Company. Through SCORES the investors can view online the action taken and current status of the complaints.

Declaration

As provided under regulation 26(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board Members and the Senior Management Personnel have confirmed compliance with the Code of Conduct for Board of Directors and Senior Management for the year ended March 31, 2021.

For **Gati Limited**

Place: Hyderabad
Date: May 25, 2021

Shashi Kiran Shetty
Chairman & Managing Director
DIN: 00012754

CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members of
Gati Limited
Plot No. 20, Survey No. 12,
Kothaguda, Kondapur
Hyderabad-500084, Telangana.

We have examined the relevant records relating to compliance of conditions of Corporate Governance by Gati Limited("the Company"), for the year ended 31st March, 2021, as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') as referred to in Regulation 15(2) of the Listing Regulations for the year ended 31st March, 2021.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in above mentioned Listing Regulations, as applicable.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Puttaparthi Jagannatham & Co.**,
Company Secretaries

CS Navajyoth Puttaparthi
Partner

M. No: F9896, CP No. 16041
UDIN: F009896C000371281

Place: Hyderabad
Date: May 25, 2021

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
Gati Limited
Plot No. 20, Survey No. 12,
Kothaguda, Kondapur
Hyderabad-500084, Telangana

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Gati Limited having CIN L63011TG1995PLC020121 and having registered office at Plot No. 20, Survey No. 12, Kothaguda, Kondapur, Hyderabad-500084, Telangana, India (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications of the Company Records, (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1	Shashi Kiran Janardhan Shetty	00012754	04/02/2020
2	Kaiwan Dossabhoy Kalyaniwalla	00060776	04/02/2020
3	Dinesh Kumar Lal	00037142	03/07/2020
4	Prabhu Narain Shukla	01868580	19/10/2012
5	Nilesh Shivji Vikamsey	00031213	05/02/2021
6	Cynthia Dsouza	00420046	03/07/2020
7	Yasuhiro Kaneda	07619127	04/11/2016

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Puttapparthi Jagannatham & Co.,**
Company Secretaries

CS Navajyoth Puttapparthi
Partner

Place: Hyderabad
Date: May 25, 2021

M. No: F9896, CP No. 16041
UDIN: F009896C000370663

Management Discussion and Analysis Report

Indian Economy Review

The COVID-19 pandemic has caused an economic slowdown the world over. Following a 3.5% contraction caused by COVID-19 pandemic in 2020, global economic activity has gained significant momentum; however, it still remains well below pre-pandemic projections. India's GDP de-grew by 7.3% in 2020-21 compared to growth rate of 4% in 2019-20. Internally, the fallout of the pandemic has been severe, hitting various industries and affecting consumption across the board. The migrant labour crises which unfolded in the aftermath of the lockdown adversely affected various industries that were dependent on manual labour. While globally, the slowing down of the world economy, physical limitations placed by the COVID-19 virus on trans-border trade has contributed to the slow growth rate. The overall trade merchandise trade deficit for April-March 2020-21, declined from USD 161.3 bn to 98.6 bn.

However, against this situation due to the calibrated fiscal policies rolled out by the government, the growth prospects of the Indian economy are on the incline with a V-shaped recovery forecasted. While India's closed the year with forex reserves of USD 536 billion, the current reserves are at all-time high levels above \$ 600 bn, fourth largest country in the world. India entered the top-50 innovating countries for the first time in 2020 since the inception of the Global Innovation Index in 2007, ranking first in Central and South Asia, and third amongst lower middle-income group economies.

Outlook

The roll out of the vaccination drive in 1HCY21 has mitigated the threat of COVID-19 allowing the economy to pick up. The easing up of the lockdowns across the country and resilient adapting to the new normal, enabled economic activity to pick up across various sectors. The second wave in the first quarter of FY2021-2022 has slightly impacted the earlier forecasts of double digit growth rates expected by multiple economic and rating agencies. On account of impact from second wave of COVID IMF revised India's growth forecast from double digits 12.6% in April, 2021 to 9.5% in July, 2021. However, the projected growth remains one of the highest amongst the developing nations. Accelerated vaccination drive, normal monsoon and supportive regulatory policies are expected to give an impetus to the economy in the second half of FY 2021-22.

Indian Logistics Industry Overview

Logistics forms an integral activity for economic growth as it involves the management of flow of goods from the place of origination to the place of consumption and is a key factor driving business and economic growth. Businesses, big and small, are reliant on logistics to support various processes in the supply chain. The sector comprises shipping, port operation, warehousing, rail, road, air freight, express cargo and other value-added services.

From being a mere mover of items, with digitalization and the rise of e-commerce, logistics can now be viewed as a mover of businesses. As per NITI Aayog national level freight report, India logistics sector currently at ~USD 150 billion is expected to grow by 7% CAGR over next few years. The industry generates 4.6 billion tonnes of freight and over 3 trillion tonne kms, annually. The growth is expected on the back of various infrastructure and policy developments initiated at the national as well as state level. The cumulative effects of infrastructure creation, GST and e-way bill implementation are expected to bring in higher efficiencies and reduce turnaround times in the sector.

The Indian logistics industry is highly fragmented and unorganized. Owing to the presence of numerous unorganized players in the industry, it remains fragmented, with organized players accounting for approximately 10% of the total market share. With the consumer base encompassing a wide range of industries, including retail, automobile, telecom, pharmaceuticals and heavy industries, the logistics industry has been significant from an economic point of view and continues to be so as businesses open up and resume operations post the COVID-19 lockdown.

India has set its target to improve the logistics cost and bring it down from current 14% of the GDP to 10% of GDP by 2022. As India's logistics infrastructure and systems improve, logistics cost is expected to reduce, and the money spent would be reinvested into growth or consumption. On-time delivery logistics companies, relentless in their pursuit of efficiency and time-optimal operations, will lead the charge in improving how goods in India move from one point to the other at the same time would result in lower inventory costs.

The increased focus on ease of doing business in India holds strong promise for the logistics sector.

With a push for India's manufacturing prowess, in FY 2020, USD 20 billion was invested in India's manufacturing and infrastructure. And countries looking for alternatives to China for manufacturing could find a strong, viable option in India. Japan's announcement of adding India to the list of ASEAN countries to be eligible for subsidies for Japanese manufacturers moving out of China makes a strong case for this. A robust logistics sector would be necessary to support the growing manufacturing segment.

At present, 71% of India's freight is transported through road transport. Air express still remains niche due to the high cost involved. Express industry remains a niche premium segment within road transportation. The business has created moat around itself through establishment of complex hub & spoke movement of goods, seamless door-to-door movement across domestic and international regions, providing shipment tracking facilities and more importantly catering the need for time sensitive logistics

services. Within express, Surface remains dominant mode of transportation followed by air express.

The express industry is one of the fastest-growing segments in logistics with a revenue CAGR of 15% for the past five years and expected to grow much faster than that over the next five years. While surface express is expected to lead this growth, air is expected to continue maintain its long-term average growth rates (CAGR 7-8%). Air express got a boost in terms of volume and realization during the COVID-19 pandemic as demand increased for moving emergency supplies by air; however, supply was constrained by grounding of airlines. Both these segments together make up the express logistics segment, which has grown considerably since inception and has diversified in solutions as well. Interestingly it accounts for ~2% share in the global market, but is the fastest growing of all segments. E-commerce, emergence of global supply chains, increasing demand from Small and Medium-sized Enterprises (SMEs) and the Business-to-Business (B2B) segment will drive this growth.

Growth Drivers of the Industry

- **Digital Transformation:** Adoption of cutting edge digital technology like Artificial Intelligence, Machine Learning, IoT, data analytics, sensors among others, is revolutionizing the logistics industry. Digitalization simplifies processes, creates visibility, and enhances speed. Most importantly it increases the interface with customers and clients, building more trust. Chatbots especially are being adopted by logistics organisations to keep their clients informed of their shipments.
- **National Logistics Policy:** The National Logistics policy announced in the Union Budget FY 2020-21, which was to launch a single-window e-logistics market and focus on employment generation, skill development and efforts to make medium and small enterprises competitive, will soon be launched – most likely in FY 2021-22. In addition, policy interventions such as GST and the E-way bill encourage structural shifts to be enabled in the sector. The implementation of the GST has also led logistics companies to move from tax-optimized warehousing locations to cost-optimized warehousing facilities. It aims to promote seamless movement of goods across the country. It will focus on several areas such as process re-engineering, digitisation, focus on multi-modal transport, EXIM trade etc. and will look at improving logistics in core sectors. It will address many issues in a seamless manner. Effective implementation of the policy would help provide an impetus to trade, enhance export competitiveness, and improve India's ranking in the Logistics Performance Index.
- **Infrastructure Development:** With a view to enhance ease of doing business, the government has been augmenting transport infrastructure in the country. There is increased spending on infrastructure development, to build ports, roads, multi-modal logistics parks and dedicated freight corridors. Despite pandemic, ministry of road transport and highways (MoRTH) has constructed record of 13,505 kms of national highways in FY 2020-21. Additionally for FY2021-22, it has already awarded 13,000 km length of roads, involving an investment of INR 3.3 lakh crore under Bharatmala project.

- **Upswing in e-commerce:** With growing internet penetration, internet users in India are expected to increase 622 million in 2020, to 900 million by 2025. Within internet users, online shoppers are expected to reach 220 million by 2025. The COVID-19 pandemic has brought about a shift in the consumer behaviour and consumption patterns in India. Accelerated by increased use of digital technology and shift in payments to a 'Buy now, pay later' model, e-commerce is set to grow from USD 60 billion in 2020 to about USD 188 billion by 2024, with mobile shopping estimated to grow by 21% annually over the next four years.
- **Increased demand for 3PL:** E-commerce had already revolutionised shopping from home by partnering with 3rd party logistics companies to deliver across India. The COVID-19 pandemic has significantly driven demand for online shopping of essentials through various e-commerce portals. Various industries like FMCG, pharma and the food industry have partnered with third party logistics companies to fulfil on time deliveries. And it seems this trend is here to stay, which means the demand for 3rd party logistic services will only keep rising.

Challenges Faced by the Logistics Industry in India

- The logistics sector requires greater coordination between transport networks, warehousing and distribution facilities and enhanced use of digital tools and technology to reduce overhead costs.
- Varying laws at the local, state and national levels creates challenges in implementing seamless logistics operations. Uniform rules and regulations need to be implemented across the country.
- Dearth of skilled labour in the logistics industry reduces efficiency and significantly lowers output.
- Companies often bear heavy losses due to damage to good from improper storage. Enhanced infrastructure therefore is crucial to cut losses and reduce overhead costs.

Logistics Industry in India Outlook

Although various industries went under due to the COVID-19 pandemic, the impact on the logistics sector has been less severe. The primacy of the logistics sector to any economic activity could be the reason. The boost in e-commerce during the pandemic, with even daily essentials being ordered online, has buoyed up the logistics sector creating greater demand for logistics and warehousing services.

However, the logistics sector has also borne the brunt of the pandemic with reduced manpower, greater inter-state travel restrictions and other inefficiencies in the logistics ecosystem.

With concerted efforts by the government to boost infrastructure and manufacturing in the country and attracting FDI for the same, the logistics curve would be on an incline. The government intends to invest USD 1.3 trillion over the next 5 years in infrastructure which is almost equal to Australia's GDP.

The imminent rolling out of the National Logistics policy in the next financial year, will reduce the high logistics cost in India which has been a setback for the industry. It will therefore have an impact on the competitiveness of domestic goods in the international market.

About Gati

Founded in 1989, Gati is one of India's premier Express Distribution companies. With a strong presence across Asia, including a nationwide coverage spanning the whole of India, Gati's unparalleled network helps reach into the country's hinterlands and create a unique advantage for businesses.

Allcargo Logistics is now the promoter and the single largest shareholder of Gati with 47% ownership, followed by KWE with about 3.5% shares in the company. Gati-Kintetsu Express Private Limited (Gati-KWE) is a Joint Venture between Gati – India's pioneer and leader in Express Distribution and Supply Chain Solutions, and Kintetsu World Express (KWE) where KWE holds 30% stake in Gati-KWE and Gati holds the remaining 70%.

Gati's integrated and IT-backed multi-modal network allows it to offer end-to-end supply chain solutions specific to varied business requirements. The strategic collaboration with Allcargo enables Gati to leverage the strengths of Allcargo's global network operating in 180 countries and enhance its products and services portfolio.

Key business verticals of Gati include Express Distribution, E-commerce, Air Freight, Supply Chain Management, and Special Services (exclusive B2C services like Laabh, Bike Express, Student Express, and others). Its services and solutions have been designed to be flexible and scalable so as to meet the needs of different businesses across various sizes, locations and industry sectors.

What sets Gati apart are end-to-end solutions built over 30 years of experience and the expertise of a dedicated team of professionals spread across the country. With its focus on ensuring customer centricity and adopting digital technology, Gati endeavours to always offer safe, timely deliveries that exceed expectations.

The organization has always adhered to the highest ESG (Environmental, Social and Corporate Governance) standards and continues to direct efforts to enhance its people, technology, business processes and operations on a regular basis.

Gati's Business Overview

Both, surface and air express show great potential

Due to reasons of practicality, surface express may be preferred to air express in many instances. Cost is possibly the most significant reason for this – delivery by road would cost a fraction of what air freight would cost. The greater loadbearing capacity of trucks comes in at a close second. Furthermore, with the government's thrust on investing in developing extensive roadways, time taken for surface express could be far lesser as compared to the present. Moreover, India's wide network of roads connecting different

geographies, is a better match for the penetrative reach that is necessary for the rising e-commerce businesses.

However, when it comes to critical cargo and time-sensitive transportation especially for pharmaceuticals and essential goods as well as electronic and auto supply chain elements, the need for reliable air freight solutions is likely to be higher. It would work well for organized logistics market leaders like Gati to focus on developing customized air express services catering to specific needs of diverse industry sectors. The revamp in Gati's air freight business vertical with the launch of Gati Air, strengthened by connections to all of India's commercial airports and partnerships with India's leading domestic airlines augurs well for the company as well as its customers who can now rely on Gati for a combination of air and surface express to deliver time-urgent cargo to all parts of the country.

Indian Logistics Sector Developments to catalyse Gati's business

- **Government thrust on infrastructure:** With a focus on building the country's transport infrastructure through projects such as the creation of highways, freight corridors, logistics parks near ports, and utilising railways for logistics purposes, the logistics sector stands to gain. The government's plan to reduce logistics overheads in the country is being executed through a series of infrastructure projects and the optimisation of existing resources. These will significantly enable companies like Gati whose forte is express distribution to ride on this infrastructure wave and keep improving its offerings while moving forward in its quest for seamless, end-to-end logistics.
- **Amendments to transport regulations:** In June 2020, in the 6th Amendment to the Central Motor Vehicles Act, the Ministry of Transport gave permission to increase the height and length of a number of vehicle segments in order to increase the load capacity of commercial goods carriers (up to 4.52 metres high for ISO Series 1 cargo container and up to 4 metres for other trucks). Due to this move, the dimensions of motor vehicles can be aligned to international standards and this is likely to improve the logistics efficiency of the country. Further, individuals who wish to get licenses for driving e-karts and e-rickshaws can now undergo training for a period of minimum 10 days and obtain a certificate from state government authorised institutions. This has the potential to reduce the environmental impact and make logistics more sustainable.
- **Technology Powering Logistics:** With the increasing adoption of technologies such as Artificial Intelligence (A.I), Blockchain Solutions, Machine Learning, India is slowly but steadily seeing the coming of Logistics 4.0. The adoption of technology in both arms of the Indian logistics sector: transportation and warehousing is driving efficiencies and delivering speed, visibility and is enhancing ease of operations as well as ease of doing business. The customer-driven demand for ease and comfort as also swift, convenient deliveries is accelerating the digital transformation of the logistics sector. The lower turnaround time (TAT) and zero margin for errors will also help to lower costs – an outcome the government is keen on arriving at to enhance profitability of the sector.

- **E-commerce driving demand for 3PL and 4PL services:** The logistics sector is one of the enablers of e-commerce and resultant retail boom that took place in the country. With the pandemic mandating physical safety, numerous businesses are trying to fill the gap created in the physical space. These online businesses are increasingly looking to outsource their logistics requirements to experienced, safe and reliable players, enabling them to focus on growing their business and their capacity. Gati, with its three decades of experience and multi-level presence in the supply chain is in a perfect position to leverage this and fuel India's growth story.
- **Clarion call for 'Aatma-Nirbhar Bharat' or 'Self-reliant India':** A key response to ensuring recovery of India's economy in the aftermath of the COVID-19 pandemic has been to encourage entrepreneurial ambitions and a 'vocal for local' approach to support small businesses in various sectors. This move aiming to increase manufacturing and distribution of goods and services within the country also creates unique opportunities for logistics players who form a critical element of this domestic supply chain.

Gati's Core Competencies

- **Wide domestic and international network:** One of Gati's central strengths is its extensive reach across all parts of the country – 99% of the Gol approved pincodes. Achieving this unparalleled reach has required effort and commitment to build, nurture and continue adding to its network of associates and channel partners – thereby giving Gati the geographic expanse that few other service providers can match. Further, as an Allcargo company, Gati is now in a position to help its customers access a global network operating in 180 countries.
- **Diversified Solutions:** Gati's multi-level supply chain offerings: express distribution, air freight, e-commerce, supply chain management and special services, make it a one-stop solution for all kinds of logistics requirements for a variety of industry sectors.
- **World-class Infrastructure and Facilities:** Gati's warehouse capacity of ~4.1 million sq. ft., its best-in-class warehouse management system along with strategically located e-fulfilment centres offer much-needed customised storage solutions to businesses. These pan-India warehousing facilities in conjunction with technology-enabled multi-modal network transportation, allow for customised supply chain solutions across locations and industries. With upcoming Surface Transhipments Centres (STCs) and Air Transit Centres (ATCs) at strategic locations, Gati is in a position to further optimize on cost and turnaround times.
- **Advanced Technology:** Technology is used to deliver ease to customers. In addition to greater visibility of cargo and data sharing, technology is also leveraged to lower cost. To achieve this, technology is used for data sharing between operations, customers and vendors, to facilitate warehouse management, route optimization, freight consolidation, back office functions and other services. Instant assistance over WhatsApp through Gati Genie, an upcoming customer portal, along with a website, mobile application and an organization-wide Enterprise

Resource Planning software – GEMS comprise key elements of Gati's technology developments.

- **Collaborative Partnership:** Gati's partnership with Kintetsu World Express (KWE) is accelerating Gati's transformation, enabling it to grow and expand in scope. The quality improvement techniques of KAIZEN, 5S and LEAN principles that KWE implements play a key role in augmenting Gati's service quality. Gati has been implementing structural changes on the basis of advanced analytical tools, to optimize its routes and distribution network.
- **The Allcargo Advantage:** As an Allcargo company, Gati is bolstered to offer its customers expert services and solutions in NVOCC, CFS-ICD, project logistics, contract logistics and logistics parks. Additionally, through its transformation project, Project Avvashya and adoption of the Avvashya Vision, Mission and Values, Gati now has an effective roadmap to leap to the next level of business growth and success. It also stands to benefit from Allcargo's expertise in professional leadership, efficient management capabilities, adherence to highest standards of corporate governance and employee-friendly policies.

Project Avvashya: Redefining Possibilities

Since becoming part of the larger Allcargo family, Gati has embarked on a journey of transformation with Project Avvashya. As the name suggests, this intensive transformation initiative is redefining possibilities for Gati.

Implemented in partnership with transformation specialists Alvarez and Marsal, the project is aimed at making Gati digitally-savvy, future-ready, and ahead in its league. Business operations and teams are being re-structured to accelerate sales, reduce inefficiencies and optimise operations. Talent has been brought in from within and outside the industry to steer Gati in the direction of its aspirations.

The positive impact of this project has been visible in the encouraging business performance across Gati's different business verticals, which has also motivated Gati to set bigger, more ambitious targets for the coming year.

Financial Performance

At standalone level, Gati recorded a revenue of ₹27,445 lakhs, EBITDA of ₹280 lakhs, PBT (after exceptional items) of ₹(16,578) lakhs and PAT of ₹(17,632) lakhs as against a revenue of ₹42,514 lakhs, EBITDA of ₹(527) lakhs, PBT of (2,151) lakhs and PAT of ₹(5,782) lakhs in the previous year.

The Operating loss for the financial year ended March, 2021 in case of the Company is mainly attributable to a drop in E commerce Business and lockdown due to Covid-19 in the first half of the FY21.

Profit after tax is negative in current year mainly due to exceptional items i.e. Diminution in the present fair value of assets, Investment impairment Provision, Provision related to Old Advances and Drop in business as explained above.

During the year under review, at consolidated level, Gati achieved a revenue of ₹131,424 lakhs, EBITDA of ₹3,756 lakhs, PBT (after exceptional items) of ₹(25,257) lakhs and PAT of ₹(24,593) lakhs as against a revenue of ₹171,167 lakhs, EBITDA of ₹4,891 lakhs, PBT of ₹(4,843) lakhs and PAT of ₹(8,427) lakhs respectively in the previous year.

In case of company the reasons have been clarified above. In case of the material subsidiary the loss for the financial year is due to the loss in Q1 FY 21 and Q2 FY 21 arising out of lower business due to lockdown.

Financial Ratios

	FY 2020-21	FY 2019-20
Debtors Turnover (No. of Days)	10.63	10.53
Inventory Turnover (No. of Days)	91.86	115.34
Interest Coverage Ratio	0.14	-0.71
Current Ratio	1.45	0.95
Debt Equity Ratio	0.03	0.13
Operating Profit Margin (%)	-1.02%	-1%
Net Profit Margin (%)	-64%	-14%
Return on Net Worth	-28%	-7%

Explanation

- **Debtors Turnover:** The increase in Debtors Turnover indicates better management of Accounts receivable.
- **Inventory Turnover Ratio:** Inventory Turnover has come down due to nationwide lockdown amid Covid-19.
- **Interest Coverage Ratio:** The improvement in interest coverage ratio is due to repayment of debt and reduction in average cost of the debt.
- **Current Ratio:** The current ratio has improved due to optimum working capital utilization.
- **Debt Equity Ratio:** Due to repayment of debt during the year, the debt equity ratio has improved.
- **Operating Profit Margin:** The operating profit margin has improved compared to last year due to strict control over cost.
- **Net Profit Margin:** Profit after tax is negative in current year mainly due to exceptional items i.e. Diminution in the present fair value of assets, Investment impairment Provision, and Provision related to Old Advances.
- **Return on Net Worth:** The ratio is negative in current year due to losses as explained above.

Human Resources

Gati focuses on building a skilled resource pool, for which it offers its employees various opportunities to up-skill, re-skill and to remain updated on the latest trends and developments of the logistics and express distribution sector, through various training and learning and development initiatives.

Post the launch of the Avvashya Vision, Mission and Values 2.0 in October 2020, the GLAD – Gati Learning and Development team has taken on an organization-wide initiative to conduct

Vision, Mission and Values training for all employees, so they can understand, inculcate and abide by the company's core values.

Cognizant of the direct co-relation between overall well-being and productivity, Gati ensures its employees have access to an approachable management, an environment conducive to productivity, employee friendly policies, and fair compensation along with opportunities for growth through a transparent and well-implemented performance management system.

In 2020, Gati launched GEARS – Gati Employee Appreciation & Rewards System. It is a digital platform that helps drive engagement and interactions among employees who can use the platform to appreciate and celebrate each other's performances, win GEARS (points) for their own achievements and recognitions and redeem these for a number of popular brands and products online.

Owing to its numerous initiatives for employee satisfaction, this year, Gati was recognized as a Great Place to Work for the second consecutive time, and achieved its ever-highest score of 71 once again.

As it has been doing throughout the past year, Gati continues to support its employees through the current wave of the COVID-19 pandemic as well. A 'COVID Assistance' team has been set up to coordinate across locations and assist employees with requirements of hospital beds, oxygen, self-quarantine facilities, etc. for themselves and their family members. Additionally, medical consultation, counselling facilities and assistance and reimbursements for COVID-19 vaccination are being offered to support employees' physical and mental well-being.

Risk and Concerns

The financial and related risks have been comprehensively covered in the Annual Accounts of the company together with the mitigation strategy of the same.

The present and anticipated future risks are reviewed by the management of the company at regular intervals. The management takes suitable preventive steps and measures to adequately safeguard the company's resources of tangible and intangible assets.

For more detailed information regarding Financial Performance of the company you may refer Director's Report forming part of this Annual Report.

Internal Control Systems and their Adequacy

Gati has in place an adequate system of internal controls commensurate with its size and nature of operations, along with a well-defined organisation structure, documented policy guidelines and procedures, as well as predefined delegation of authority covering all corporate functions and all operating units. These internal controls are designed to provide reasonable assurance regarding the effectiveness and efficiency of operations, the adequacy of protecting the company's assets from unauthorized use or losses, the reliability of financial controls, and compliance with applicable laws and regulations.

Adequate internal control measures are in the form of various policies and procedures issued by the management covering all critical and important activities viz. Contract Management, Operations, Procurement, Finance, Human Resources, Safety etc. These policies and procedures are updated from time to time and compliance is monitored by Internal Audit function. The company has continued its efforts to align all its processes and controls with global and industry best practices. The internal audit function based on the audits of operating units and corporate functions, highlights various risks and provides constructive recommendations on a regular basis for the Operating Units to improve on moderate and 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.

A gist of the significant features of the internal controls is as follows:

- The Audit Committee comprising of Independent Directors and Non-Executive Directors, regularly reviews the audit plans, significant audit findings, implementations of internal audit recommendations, adequacy of internal controls, compliance with accounting standards as well as reasons for changes in accounting policies and practices, if any.

- A well-established and independent Internal Audit team consisting of professionally qualified accountants and functional specialists who are empowered to examine/audit the adequacy, relevance and effectiveness of the control systems, compliance with policies, plans and statutory requirements.
- Process narratives and Risk Control Matrix for all of the major business processes and testing thereof including financial closing, IT General Controls and Entity Level controls which are reviewed for improvements.
- Continual programmes to reinforce the Code of Business Conduct and Ethics are conducted regularly across the organisation.

Anti-fraud programmes including whistle blower mechanisms are operative across the company.

The Board takes responsibility for the overall process of risk management throughout the organisation. During the financial reporting period ending March 2021, the company has conducted an assessment of the effectiveness of the internal financial control over financial reporting and it has in place, adequate internal financial controls with reference to financial statements, commensurate with the size, scale and complexity of its operations. During the year, such controls were tested and no reportable material weaknesses in the design or operation were observed and the controls are continuously reviewed for improvements.

Cautionary Statement

Statements in the Management Discussion and Analysis Report describing the company's objectives, projections, estimates, expectations or projections may be 'forward looking statements' within the meaning of the applicable laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could influence the company's operations include economic and political conditions in which the company operates interest rate fluctuations, changes in Government/RBI regulations, tax laws, other statutes and incidental factors.

Business Responsibility Report

(As per Regulation 34(2)(f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015)

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. **Corporate Identity Number (CIN) of the Company** : L63011TG1995PLC020121
2. **Name of the Company** : Gati Limited
3. **Registered address** : Plot No. 20, Survey no. 12,
Kothaguda, Kondapur,
Hyderabad, Telangana – 500 084
4. **Website** : www.gati.com
5. **E-mail ID** : investor.services@gati.com
6. **Financial Year reported** : 2020-21
7. **Sector(s) that the Company is engaged in (industrial activity code-wise):**

NIC Code of the product / service	Name and description of main products / services
52241, 52242, 52243	Cargo handling incidental to land, water & air transport.
47300	Retail sale of automotive fuel in specialized store (including the activity of petrol filling stations)

8. **List three key products/services that the Company manufactures/provides (as in balance sheet):**
 - (i) Express Distribution (E-commerce)
 - (ii) Fuel Stations
5. **List of activities in which expenditure in 4 above has been incurred:**

Please refer the Annual Report on CSR activities which forms an integral part of the Board's Report for FY 2020-21.

9. **Total number of locations where business activity is undertaken by the Company**
 - (a) Number of International Locations (Provide details of major 5): NIL
 - (b) Number of National Locations: We have our Registered office at Kondapur, Kothaguda, Hyderabad with 668 locations spread across the country

10. **Markets served by the Company: National.**

SECTION C: OTHER DETAILS

1. **Does the Company have any Subsidiary Company/Companies?**

Yes
2. **Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)**

No, the subsidiaries manage and carry out their own BR initiatives

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. **Paid up Capital (INR)** : ₹24,38,91,954
2. **Total Turnover (INR)** : ₹27,445 Lakhs (Standalone)
3. **Total profit/(Loss) after taxes (INR)** : ₹(17,632) Lakhs (Standalone)
4. **Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)** : ₹29.75 Lakhs

3. **Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]**

No, currently, the suppliers/ vendors and distributors do not participate in Company's BR initiatives.

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR

(a) Details of the Director/Director responsible for implementation of the BR policy/policies and (b) Details of the BR head

No.	Particulars	Details
1	DIN Number (if applicable)	06960138
2	Name	Mr. Balasubramanian Aghoramurthy
3	Designation	President – Business & Operations
4	Telephone number	040-71204284
5	E-mail id	Investor.services@gati.com

2. Principle-wise National Voluntary Guidelines (NVGs) BR Policy/policies:

- P1** Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.
- P2** Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

P3 Businesses should promote the well-being of all employees.

P4 Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

P5 Businesses should respect and promote human rights.

P6 Businesses should respect, protect, and make efforts to restore the environment.

P7 Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

P8 Businesses should support inclusive growth and equitable development.

P9 Businesses should engage with and provide value to their customers and consumers in a responsible manner.

No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	Do you have a policy/ policies for:	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	Yes, The policies have been developed as per the National Voluntary Guidelines on Social, Environment and Economic responsibilities of businesses published by the Ministry of Corporate Affairs, Government of India in 2011, the Companies Act, 2013 ("the Act"), SEBI Listing Regulations and other statutory requirements.								
4	Has the policy being approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Yes, all policies and policy statements are approved by the Board and policies at operational level are approved by respective functional heads.								
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online?	All policies are shared directly with respective stakeholders. Some of these can be viewed on https://www.gati.com/investor-relations/policies/								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the company have in-house structure to implement the policy/ policies.	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Yes, Whistle Blower Policy/Vigil Mechanism provides a platform to report any concerns or grievances pertaining to any potential or violation of any Code of Conduct.								
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Our policies are reviewed and evaluated through internal audit functions.								

3. Governance related to BR

- (a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year

Our BR performance being reviewed annually. We believe that such an annual review of BR performance will play a crucial role in enabling enhanced performance and alignment of business with stakeholder needs year on year.

- (b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

The BRR of the Company is published on an annual basis and forms an integral part of Annual Report. It is also available on the Company's website at <https://www.gati.com/investor-relations/annual-report/>

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1 (P1): Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.

1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs / Others?

Yes. Our policies are primarily applicable for only our company.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

We have not received any stakeholder complaints pertaining to ethics, transparency or accountability in the current reporting period. We encourage all our stakeholders to actively communicate with us so that we continually understand their perceptions of our company while they recognize our ethos of business ethics and responsibility.

Principle 2 (P2): Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

- (i) Being an Express Distribution Organization, it is 100% compliant ensuring pollution certificates for all Company / Vendors vehicles. To ensure emission norms are in control.

- (ii) Started using LEDs at all facilities of GATI.

- (iii) Electric Vehicles and CNG based vehicles are used for Last mile delivery.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

- (a) Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?

- (b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

- (i) Sewage treatment plants at our major STCs

- (ii) Rain water harvesting (for Ground water charging or recycle for plants and wash room usage)

- (iii) Annual Plantation drive, every year around 500 saplings

- (iv) 50% energy saving by using power saving electric devices

3. Does the company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

Yes, we do have process and procedures in place for sustainable sourcing (including transportation), which are detailed hereunder:-

- Vehicles were purchased in compliance with all latest regulations relating to pollution control and Bharat Stage (Euro) norms i.e. BS IV models.
- Introduced Electric and CNG based vehicles for Last mile delivery.
- The strict periodical maintenance of Company's vehicles is done as per manufacturer's prescribed norms to ensure optimum fuel consumption & better vehicle maintenance.
- Vehicles greater than five years old are been phased out and replaced with new standard BS model vehicles.

4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

- (i) Yes, we procure services and goods locally. Also provide employment opportunities to local communities.

- (ii) To improve capability and capacity, we impart regular training and skill development programmes.

5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

Not Applicable

Principle 3 (P3): Businesses should promote the well-being of all employees.

- Please indicate the Total number of employees.: 46
- Please indicate the Total number of employees hired on temporary/contractual/casual basis: None
- Please indicate the Number of permanent women employees: 6
- Please indicate the Number of permanent employees with disabilities: None
- Do you have an employee association that is recognized by management: NA
- What percentage of your permanent employees is members of this recognized employee association?: NA
- Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

No.	Category	No. of complaints filed during the financial year	No. of complaints pending as on end of the financial year
1	Child labour/forced labour/involuntary labour	None	None
2	Sexual harassment	None	None
3	Discriminatory employment	None	None

8. What percentage of your under mentioned employees were given safety & skill upgradation training in the last year?

Our L&D framework is designed to fuel future ready resources through structured 'Capability Development' initiatives based on a highly scientific approach, aiming at creating domain expertise and Leadership capabilities across levels and functions. We have initiated various learning interventions to meet talent requirement across various levels and functions such as GTRN (Graduate Trainee) Program, BDET (Business Development Executive Trainee) Program, Back2Basics (byte-sized customized chunks of continuous learning capsules) and PDW (Professional Development Workshop series) Program for Associates and Executives; AMTR (Assistant Manager Trainee) Program for assessing and developing the right Front-line Managers with the Framework being named as Discovering the Manager in You; Beyond Managing to Leading, a structured Leadership Development Framework for our Mid-Management level,

Coaching on Leadership for Senior Leaders and several such domain-specific and behavioural interventions.

- Permanent Employees – 100%
- Permanent Women Employees – 13%
- Casual/Temporary/Contractual Employees – None
- Employees with Disabilities - None

Principle 4 (P4): Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

- Has the company mapped its internal and external stakeholders:
Yes
- Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders:
Yes
- Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.:

The Company is committed to make difference in the lives of under privileged and economically challenged citizens. In line with the Company's CSR philosophy and policy, it takes various initiatives in the area of Health, Education, Sports, Women Empowerment and Skill Development for betterment of such stakeholders.

Principle 5 (P5): Businesses should respect and promote human rights.

- Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?
Yes, our company policies and practices related to protection of human rights i.e. sexual harassment, child labor, etc. extends to all our stakeholders.
- How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

In the current reporting year FY21, we have not received any stakeholder complaint.

Principle 6 (P6): Businesses should respect, protect and make efforts to restore the environment.

- Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.

Our values and policies related to principle 6 extends to all our stakeholders.

2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.

As a part of environment sustainability, the Company constantly encourages green initiatives in their day to day operations.

3. Does the company identify and assess potential environmental risks? Y/N

Yes

4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

Yes, in respect to the point no. 4 & 5 above, Company has taken the following initiatives:-

1. Vehicles were purchased in compliance with all latest regulations relating to pollution control and Bharat Stage (Euro) norms i.e. BS IV models.
2. Introduced Electric and CNG based vehicles for Last mile delivery.
3. The strict periodical maintenance of Company's vehicles is done as per manufacturer's prescribed norms to ensure optimum fuel consumption & better vehicle maintenance.
4. Vehicles greater than five years old are been phased out and replaced with new standard BS model vehicles.
5. 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.
6. Providing DIP i.e., Drivers Information Package which would educate them about Do's and Don'ts, RIC (Route Information card) and also Driver briefing session conducted regularly before departing the vehicle & monitoring through Vehicle Tracking System.
7. A centralized Operations Command Center (OCC) has been built to provide support to vehicles and drivers 24/7, 365 days.

6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?

Yes, our emissions and waste are within permissible limits.

7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

None

Principle 7 (P7): Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

- (a) Express Industry Council of India;
- (b) Confederation of Indian Industry.

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/ No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

No

Principle 8 (P8): Businesses should support inclusive growth and equitable development.

1. Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

Yes, the major projects undertaken under our CSR activities focusing primarily on:

- Education;
- Health care;
- Woman Empowerment;
- Natural Disaster Relief; and
- Environmental Sustainability.

2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?

Our CSR activities are carried out through combination of in-house team, our foundations and various other registered NGO's. The projects are managed by a mix of in-house teams and external partners.

3. Have you done any impact assessment of your initiative?

No

4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.

The total expenditure made during the FY 2020-21 is ₹29.75 Lakhs in various projects. Please refer the Annual Report on CSR activities which forms an integral part of the Board's Report for FY 2020-21.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

Yes, all our initiatives, whether implemented directly or in partnership with another agency, are meant to address the direct needs of the beneficiaries such as:

- Healthcare.
- Plantation of trees and its maintenance.
- Women Empowerment / Skill Development.
- Natural Disaster Relief.

Principle 9 (P9): Businesses should engage with and provide value to their customers and consumers in a responsible manner.

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.

Less than 1%

2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks(additional information)

Our Company is a Service providing company and this does not apply

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

No

4. Did your company carry out any consumer survey/ consumer satisfaction trends?

Yes

Independent Auditor's Report

To the Members of **Gati Limited**

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Gati Limited ("the Company"), which comprise the Balance sheet as at March 31 2021, the Statement of Profit and Loss, (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, its loss including other comprehensive loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter

We draw your attention to

- I. Note 52 to the standalone financial statements regarding loans given to a subsidiary amounting to ₹759 lakhs (net of provision of ₹1,242 lakhs) in earlier years, which are outstanding as at the reporting date. The management is confident of recovery of the balance amount in due course and no provision is considered necessary by the management for any possible losses that may arise in this behalf.
- II. Note 55 to the standalone financial statements which describe the extent to which Covid-19 pandemic will impact Company's results which depend on the future developments that are highly uncertain.

Our opinion is not qualified in respect of the above matters.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report. For each matter below, our description of how our audit addressed the matter is provided in that context. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures performed by us, including those procedures performed to address the matters below, provide the basis for our audit opinion on the financial statements.

Sr. No.	Key Audit Matter	How our audit addressed the key audit matters
1	<p>Recoverability of Trade Receivable (See Note 11 to the Standalone Financial Statements)</p> <p>The gross balance of trade receivables as at March 31, 2021 amounted to ₹2,011 Lakhs.</p> <p>Due to the inherent subjectivity that is involved in making judgments in relation to credit risk exposures to determine the recoverability of trade receivables, recoverability of trade receivables is considered a key audit matter.</p>	<p>Our audit with respect to determining recoverability of Trade Receivables included the following:</p> <ul style="list-style-type: none"> ▪ Evaluating the Company's processes and controls relating to the monitoring of trade receivables and review of credit risks of customers. ▪ Examination of management's assessment of the credit review procedures of trade receivables, obtaining trade receivable confirmations, and mapping receipts from the trade receivables after the year end on test basis. ▪ Evaluation of management's assumptions used to determine the expected credit loss on the trade receivables, through detailed analyses of ageing of receivables to historical patterns of receipts, assessment of material overdue individual trade receivables and risks specific to the trade receivable.
2	<p>Evaluation of uncertain tax positions (See Note 38 (I) to the Standalone Financial Statement)</p> <p>The Company has material uncertain tax positions including matters under dispute which could have a significant impact on the Standalone Financial Statement, if the potential expenses were to materialise.</p> <p>The outcome of such matters is uncertain and the position taken by management involves significant judgement.</p>	<p>Our audit with respect to evaluation of uncertain tax positions included the following:</p> <ul style="list-style-type: none"> ▪ Assessing the appropriateness of the design and implementation of the Company's controls over the assessment of uncertain tax position including matters under dispute and completeness of disclosures. Supporting documentation are tested for the positions taken by the management, meetings are conducted with in-house legal team, to confirm the operating effectiveness of these controls. ▪ Involving our internal experts to review the management's underlying assumptions in estimating the tax provisions and the possible outcome of the disputes. Our internal experts also considered legal precedence and other rulings in evaluating the management's position on these uncertain tax positions including matters under dispute. ▪ Additionally, we considered the effect of new information in respect of uncertain tax positions as at April 1, 2020 to evaluate whether any change was required in the management's position on these uncertainties as at March 31, 2021.
3	<p>Reasonableness of carrying amount of Assets held for sale (See Note 16 to the financial statements)</p> <p>The Company has classified assets earmarked for disposal as Assets held for sales. Assets held for sales carried at fair value have been estimated using significant unobservable input including non-binding offers from and negotiation held with prospective buyers as a result of which fair value is sensitive to change in input assumption.</p>	<p>Our audit with respect to determining carrying value of Assets held for sales included the following:</p> <ul style="list-style-type: none"> ▪ Evaluating the Company's processes and controls relating to the classification and valuation of assets held for sale. ▪ Examination of management's assessment of expectation of outcome of negotiation with prospective buyer. ▪ Review of independent valuation report of independent external valuer.

Information Other than the Standalone Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error and estimation to determine the likelihood and/or timing of cashflows and the interpretation of preliminary and pending court rulings.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SA's, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate

to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements

of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("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" a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.
2. As required by section 143 (3) of the Act, based on our audit, we report, that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with the relevant rules thereon.
 - (e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164(2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting with respect to standalone financial statement of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" of this report.

- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Note 38(1.a.) and 48 to the standalone financial statements;
- ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
- iii. There has been delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company. Details for the same are given below:

Date of declaration of Dividend	Due date for transferring unpaid dividend to Investor Education protection Fund	Delay as on 31st March 2021	Amount (₹ in lakhs)
6th Nov 2013	05th Dec 2020	117 days	₹7

For **Singhi & Co.**
 Chartered Accountants
 (Firm's Registration No. 302049E)

(Anurag Singhi)
 Partner

Place: Kolkata
 Date: 25th May, 2021

Membership No. 066274
 UDIN: 21066274AAAABG8119

Annexure - A to the Independent Auditor's Report

(Referred to in paragraph 1 under the heading 'Report on Other Legal and Regulatory Requirements' section of our report of even date in respect to statutory audit of Gati Limited for the year ended March 31, 2021)

We report that:

- i. a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
- b) As per the information and explanations given to us, physical verification of property, plant and equipment have been carried out in terms of the phased program of its verification adopted by the Company and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable having regard to size of the Company and nature of its business.
- c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- ii. As explained to us, inventories were physically verified during the year by the management at reasonable intervals and no material discrepancies were noticed on such verification.
- iii. The Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnership or other parties listed in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, the provisions of paragraph 3(iii), 3(iii) (a) to 3(iii) (c) of the said Order are not applicable.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to

the loans, investments made and providing guarantees and securities, as applicable.

- v. According to information and explanations given to us, the company has complied with the directives issued by Reserve Bank of India, and the provisions of Section 73 to 76 or any other relevant provisions of the Act and the rules framed there under with respect to deposits (from public). According to the information and explanation's given to us no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal on the Company in respect of the aforesaid deposits.
- vi. The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.
- vii. a) According to the information and explanations given to us and on the basis of our examination of the records of the company examined by us, the company is generally regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Goods and Services Tax, duty of customs, cess and other material statutory dues, as applicable, to the appropriate authorities.

There are no arrears in respect of the aforesaid dues as at March 31, 2021 for a period of more than six months from the date they became payable except provident fund of ₹0.09 lakhs which are due for more than 6 months.
- b) According to the information and explanations given to us, the dues outstanding in respect of dues of income tax, sales tax, duty of excise, service tax, duty of customs, value added tax and goods and services tax has not been deposited by the Company on account of disputes are as follows:

Name of the Statute	Nature Of Dues	Amount (₹ in lakhs)	Period to which the amount relates	Forum where dispute is pending
Finance Act, 1994	Service Tax	4,445	From Year 2005 -2018	CESTAT, Audit Commissionerate, Commissioner of Service tax
Income tax Act	Income tax	320*	2018-2019	Deputy commissioner of income Tax, Hyderabad

*The company has paid out of Rs. 320 Lakhs, Rs. 65 Lakhs as on 15-05-2021

- viii. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not defaulted in repayment of loans or borrowings to any financial institution, bank or Government. The Company had neither any outstanding debenture at the beginning of the year nor has it issued any debenture during the year.
- ix. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. According to the information and explanation given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- x. According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(xiv) of the order is not applicable to the company.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3 (xvi) of the order is not applicable to the company.

For **Singhi & Co.**
 Chartered Accountants
 (Firm's Registration No. 302049E)

(Anurag Singhi)
 Partner

Place: Kolkata
 Date: 25th May, 2021

Membership No. 066274
 UDIN: 21066274AAAABG8119

Annexure - B to the Independent Auditor's Report

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date in respect to statutory audit of Gati Limited for the year ended March 31, 2021)

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

We have audited the internal financial controls over financial reporting of Gati Limited ('the Company') as of March 31, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note') issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls

over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial control over financial reporting were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal

control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI. However financial control over contract revenue mapping in information technology system need to be further strengthened.

For **Singhi & Co.**
Chartered Accountants
(Firm's Registration No. 302049E)

(Anurag Singhi)
Partner
Membership No. 066274
UDIN: 21066274AAAABG8119

Place: Kolkata
Date: 25th May, 2021

Balance sheet

as at March 31, 2021

(₹ In Lakhs)

Particulars	Notes	As at	
		March 31, 2021	March 31, 2020
ASSETS			
NON CURRENT ASSETS			
Property, Plant and Equipment	3A	3,169	24,581
Right-of-use Assets	3B	882	1,039
Investment in Subsidiaries	4	55,367	56,397
Financial Assets			
Investments	5	-	-
Loans	6	-	1,795
Deferred tax Assets (Net)	7	-	-
Non Current Tax Asset (Net)		629	1,764
Other non-current assets	8	254	177
		60,301	85,753
CURRENT ASSETS			
Inventories	9	331	202
Financial assets			
Current Investments	10	-	7,782
Trade receivables	11	837	2,122
Cash and Cash Equivalents	12A	1,021	1,028
Bank Balances other than above	12B	289	554
Loans	13	797	18
Other financial assets	14	227	2,704
Other current assets	15	241	348
Assets classified - held for sale	16	7,401	2,849
		11,144	17,607
		71,445	1,03,360
TOTAL ASSETS			
EQUITY AND LIABILITIES			
EQUITY			
Equity Share Capital	17	2,439	2,439
Other Equity	18	60,007	77,568
		62,446	80,007
LIABILITIES			
NON-CURRENT LIABILITIES			
Financial liabilities			
Borrowings	19	1,260	4,600
Lease Liabilities	20	32	47
Other financial liabilities	21	24	68
Provisions	22	8	32
		1,324	4,747
CURRENT LIABILITIES			
Financial liabilities			
Borrowings	23	-	2,104
Lease Liabilities	20	15	30
Trade payables	24	-	-
(a) Total Outstanding Dues of micro and small enterprises		-	-
(b) Total Outstanding Dues of creditor other than micro and small enterprises		365	4,548
Other financial liabilities	25	4,979	8,278
Other current liabilities	26	56	106
Current Tax Liabilities		2,257	3,535
Provisions	27	3	5
		7,675	18,606
		8,999	23,353
		71,445	1,03,360
TOTAL LIABILITIES			
TOTAL EQUITY AND LIABILITIES			

The accompanying significant accounting policies and notes form an integral part of the Standalone Financial Statements

As per our report of even date

For Singhi & Co.

Chartered Accountants
ICAI Firm Registration No: 302049E

Anurag Singhi

Partner
Membership no: 066274
Place: Kolkata
Date: May 25, 2021

For and on behalf of the Board of Directors

Shashi Kiran Shetty

Chairman & Managing Director
DIN: 00012754

Rohan Mittal

Chief Financial Officer
Place: Hyderabad
Date: May 25, 2021

T S Maharani

Company Secretary
M No. F8069

Statement of Profit and Loss

for the Year ended March 31, 2021

Particulars	Notes	(₹ In Lakhs)	
		Year ended March 31, 2021	Year ended March 31, 2020
I INCOME			
Revenue from Operations	28	27,445	42,514
Other Income	29	1,205	2,037
TOTAL INCOME (I)		28,650	44,551
II EXPENSES			
Operating Expenses	30	2,659	12,691
Purchase of stock-in-trade		23,820	26,575
Changes in Inventories of Stock-in-Trade	31	(129)	72
Employee benefits expense	32	655	2,397
Finance Costs	33	669	1,255
Depreciation and amortization expense	34	188	368
Other expenses	35	1,365	3,344
TOTAL EXPENSES (II)		29,227	46,702
III PROFIT/(LOSS) BEFORE EXCEPTIONAL ITEMS AND TAX (I-II)		(577)	(2,151)
IV Exceptional Items	36	16,001	-
V PROFIT/(LOSS) BEFORE TAX (III-IV)		(16,578)	(2,151)
VI TAX EXPENSES	37		
Current Tax		-	-
Deferred Tax		-	-
Tax Related to earlier years		1,053	3,630
TOTAL TAX EXPENSES		1,053	3,630
VII PROFIT/(LOSS) FOR THE YEAR (V-VI)		(17,632)	(5,781)
VIII OTHER COMPREHENSIVE INCOME (OCI)			
Items not to be reclassified to profit or loss in subsequent periods:			
Remeasurement gains/(losses) on defined benefit plans		71	25
Equity investments through other comprehensive income		-	(77)
Income tax effect on above items		-	-
OTHER COMPREHENSIVE INCOME FOR THE YEAR, (NET OF TAX)		71	(52)
IX TOTAL COMPREHENSIVE INCOME FOR THE YEAR (VII+VIII)		(17,561)	(5,833)
X EARNINGS PER EQUITY SHARE	46.		
(NOMINAL VALUE PER SHARE: ₹2/- (PREVIOUS YEAR ₹2/-))			
Basic (in ₹)		(14.46)	(5.20)
Diluted (in ₹)		(14.46)	(5.19)

The accompanying significant accounting policies and notes form an integral part of the Standalone Financial Statements

As per our report of even date

For Singhi & Co.

Chartered Accountants
ICAI Firm Registration No: 302049E

Anurag Singhi

Partner
Membership no: 066274
Place: Kolkata
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Rohan Mittal

Chief Financial Officer
Place: Hyderabad
Date: May 25, 2021

T S Maharani

Company Secretary
M No. F8069

Cash Flow Statement

for the Year ended March 31, 2021

(₹ In Lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
A: Cash Flow From Operating Activities		
Profit/(Loss) Before Taxes after exceptional items as per Statement of Profit and Loss	(16,578)	(2,151)
Adjustments For:		
Depreciation and amortization expense	188	368
Net (gain) / loss on sale of Property, plant & equipment	1,641	(51)
Impairment allowance for Investment	120	760
Expenses on Employee Stock Option scheme	1	(9)
Finance Costs	669	1,255
Allowance for Doubtful Receivables	423	215
Bad debts and irrevocable balances written off	281	59
Provision for loss allowances recognised in earlier years	(281)	(18)
Capital work-in-progress & Other advance written off	-	72
Allowance for advances	2,256	118
Interest Income	(73)	(273)
Net Gain on Investments measured at FVTPL	-	(62)
Interest Income on refund from Income Tax	(31)	(86)
Liability no longer required written back	(27)	(108)
Dividend income from a Subsidiary	-	(756)
Net (gain)/ loss on sale of Mutual Funds	(80)	-
Net (gain)/ loss on sale of investments	(111)	-
Net (gain) / loss on assets held for sale	9,833	-
Investments written down	909	-
Net (gain) / loss Foreign Exchange	9	-
Provision for Loan to subsidiary	1,242	-
Unwinding of other financial assets carried at amortised cost	(211)	-
Operating Profit/(Loss) Before changes in operating assets and liabilities	181	(667)
Adjustment for changes in operating assets and liabilities:		
Decrease / (Increase) in Inventories	(129)	72
Decrease / (Increase) in Trade receivables	852	1,672
Decrease / (Increase) in Other current Assets	99	124
Decrease / (Increase) in Other Current Financial Assets	216	(149)
Decrease / (Increase) in Loans	(15)	(8)
Increase / (Decrease) in Trade payable	(4,182)	(1,961)
Increase / (Decrease) in Current Financial Liabilities	(326)	(527)
Increase / (Decrease) in Current Liabilities	(22)	(43)
Increase / (Decrease) in provisions	(26)	(33)
Cash generated from Operating Activities	(3,352)	(1,520)
Direct Taxes paid (net of refunds)	(1,165)	(401)
Net Cash flow generated/(used) from Operating Activities	(4,517)	(1,921)
B: Cash Flow From Investing Activities:		
Sale proceeds from Property, Plant and equipment	5,352	418
Purchase of Property, Plant and equipment including Capital work in progress	(14)	(126)
(Purchase)/ Sale Proceeds of Current Investments	7,862	(7,720)
Sale proceeds from Current / Non current Investments	111	163
Proceeds from Bank Fixed Deposit	265	1,451
Interest Received	77	127
Dividend income from a Subsidiary	-	756
Net Cash flow generated/(used) in Investing Activities	13,653	(4,931)

Cash Flow Statement

for the Year ended March 31, 2021

Particulars	(₹ In Lakhs)	
	Year ended March 31, 2021	Year ended March 31, 2020
C: Cash Flow From Financing Activities		
Proceeds from issue of equity shares (Net of issue expenses)	-	10,007
Proceeds from long term borrowings	388	49
Repayment of long term borrowings	(6,026)	(2,343)
Proceeds from Public deposits	44	186
Repayment of Public deposits	(669)	(244)
Dividend Paid including tax	-	(892)
Movement in short term borrowings (Net)	(2,104)	1,058
Payment of Principal Portion of Lease liabilities	(12)	(30)
Payment of interest on Lease liabilities	(7)	(13)
Finance Cost	(757)	(1,221)
Net Cash flow generated/(used) from Financing Activities	(9,143)	6,557
Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)	(8)	(295)
Cash and Cash Equivalents at the beginning of the year	1,028	1,323
Cash and Cash Equivalents at the end of the year/Period	1,021	1,028

Notes:

1. The above Statement of Cash Flow has been prepared under the " Indirect Method" as set out in Indian Accounting Standard (Ind AS) 7 on Statement of Cash Flow as notified under Companies (Accounts) Rules, 2015.

2. Components of cash and cash equivalents

	(₹ In Lakhs)	
	Year ended March 31, 2021	Year ended March 31, 2020
Cash on hand	18	39
Balance with Banks:		
In Current Accounts	1,003	989
Cash and Cash Equivalents (Refer Note 12A)	1,021	1,028

The accompanying significant accounting policies and notes form an integral part of the Standalone Financial Statements

As per our report of even date

For Singhi & Co.

Chartered Accountants
 ICAI Firm Registration No: 302049E

Anurag Singhi

Partner
 Membership no: 066274
 Place: Kolkata
 Date: May 25, 2021

For and on behalf of the Board of Directors

Shashi Kiran Shetty

Chairman & Managing Director
 DIN: 00012754

Rohan Mittal

Chief Financial Officer
 Place: Hyderabad
 Date: May 25, 2021

T S Maharani

Company Secretary
 M No. F8069

Statement of Changes in Equity

for the Year ended March 31, 2021

A) Equity Share Capital

	No of Shares	(₹ In Lakhs)
Balance as at March 31, 2019	10,85,42,137	2,171
Changes in Equity Share Capital for the year ended March 31, 2020	1,34,03,840	268
Balance as at March 31, 2020	12,19,45,977	2,439
Changes in Equity Share Capital for the year ended March 31, 2021	-	-
Balance as at March 31, 2021	12,19,45,977	2,439

B) Other Equity

(₹ In Lakhs)

Particulars	Reserves and Surplus							Item of other Comprehensive Income	Total
	Securities Premium	General Reserve	Capital Reserve	Tonnage Tax Reserve (utilised)	Share Option Outstanding account*	Special Reserve	Retained Earnings	Equity Investments through other comprehensive income	
Balance as at March 31, 2019	24,333	8,658	2,084	929	156	22,336	15,962	96	74,554
Profit/(Loss) for the year	-	-	-	-	-	-	(5,781)	-	(5,781)
Share issue expenses	(45)	-	-	-	-	-	-	-	(45)
Employee stock options lapsed	-	82	-	-	(82)	-	-	-	-
Adjustments during the year	-	-	-	-	-	-	19	(19)	-
Issue of equity shares on exercise of employee stock options	79	-	-	-	(28)	-	-	-	51
Issue of equity shares	9,733	-	-	-	-	-	-	-	9,733
Final dividend on Equity shares including dividend distribution tax	-	-	-	-	-	-	(892)	-	(892)
Other Comprehensive Income	-	-	-	-	-	-	25	(77)	(52)
Balance as at March 31, 2020	34,100	8,740	2,084	929	45	22,336	9,333	-	77,568
Profit/(Loss) for the year	-	-	-	-	-	-	(17,632)	-	(17,632)
Transfer from employee stock option on cancellation	-	45	-	-	(45)	-	-	-	-
Other Comprehensive Income	-	-	-	-	-	-	71	-	71
Balance as at March 31, 2021	34,100	8,785	2,084	929	-	22,336	(8,227)	-	60,007

The accompanying significant accounting policies and notes form an integral part of the Standalone Financial Statements

As per our report of even date

For Singhi & Co.

Chartered Accountants
ICAI Firm Registration No: 302049E

Anurag Singhi

Partner
Membership no: 066274
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For and on behalf of the Board of Directors

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Rohan Mittal

Chief Financial Officer
Place: Hyderabad
Date: May 25, 2021

T S Maharani

Company Secretary
M No. F8069

Notes to Financial Statements

for the Year ended March 31, 2021

1. Corporate and general information:

Gati Limited ("the Company") is a public limited company incorporated in 1995 under provisions of the Companies Act, 1956 having its Registered and Corporate Office at Plot no.20, Survey no. 12, Kothaguda, Kondapur, Hyderabad - 500 084. Telangana, India. The company is primarily engaged in the business of E-commerce logistics, Integrated Freight Forwarding (Domestic and International) and running of fuel stations. The company is listed in the National Stock exchange of India (NSE) and Bombay Stock exchange (BSE).

2. Basis of Accounting

2.1 Statement of Compliance

The standalone financial statements are prepared in accordance with and in compliance, in all material aspects, with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the "Act") read along with Companies (Indian Accounting Standards) Rules, as amended and other provisions of the Act. The presentation of the Financial Statements is based on Ind AS Schedule III of the Companies Act, 2013.

2.2 Basis of Measurement

The standalone financial statements have been prepared on a going concern basis using historical cost convention, except

- Financial Instruments - Measured at Fair value/ Amortised cost;
- Plan Assets under defined benefit plans—Measured at fair value;
- Employee Share based payments- Measured at fair value

2.3 Functional and Presentation Currency

All financial information presented in Indian rupees (INR) which is the Company's functional currency, has been rounded to the nearest lakhs, unless otherwise stated.

2.4 Estimation of uncertainties relating to the global health pandemic from COVID-19

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables and unbilled revenues. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources of information including credit reports and related information, economic forecasts. The Company has performed sensitivity analysis on the assumptions used and based on current estimates expects the carrying amount of these assets will be recovered. The impact of COVID-19 on the Company's

financial statements may differ from that estimated as at the date of approval of these financial statements.

2.5 Use of Estimates and Judgements

The preparation of the Company's standalone financial statements in conformity with the recognition and measurement principles of Ind AS requires management to make estimates, judgments and assumptions that affect the reported amounts of assets, liabilities, income and expenses, the accompanying disclosures and disclosures of contingent liabilities. Estimates and underlying assumptions are reviewed on an ongoing basis. Uncertainty about these estimates and assumptions could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumption in these financial statements have been disclosed below. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Critical accounting estimates and judgments used are as below:

- (i) Defined benefit obligation
- (ii) Recognition of current tax and deferred tax
- (iii) Recognition and measurement of provisions and contingencies
- (iv) Fair value measurement of Financial instruments
- (v) Provision for Doubtful Debts and advances
- (vi) Share based payments

2.6 Current Vs Non-Current Classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is classified as current when it is:

- Expected to be realized or intended to sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All the other assets are classified as non-current.

Notes to Financial Statements

for the Year ended March 31, 2021

A liability is current when:

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

The Company classifies all other liabilities as non-current. Deferred Tax Assets and Liabilities are classified as non-current assets and liabilities respectively.

2.7 Recent accounting pronouncements – issued but not yet effective

On March 24, 2021, the Ministry of Corporate Affairs (“MCA”) through notification amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are :-

Balance Sheet:

- Lease liabilities should be separately disclosed under the head ‘financial liabilities’, duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Current maturities of Long-term borrowings shall be disclosed separately under the heading Short Term Borrowing.
- Security Deposits to be shown under the head of Other Non-Current Assets instead of Long-term Loan & Advances.
- Specific disclosure under ‘additional regulatory requirement’ such as compliance with approved schemes of arrangements, compliance with number of layers of

companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

- Ratios-Following Ratios to be disclosed: -

(a) Current Ratio, (b) Debt-Equity Ratio, (c) Debt Service Coverage Ratio, (d) Return on Equity Ratio, (e) Inventory turnover ratio, (f) Trade Receivables turnover ratio, (g) Trade payables turnover ratio, (h) Net capital turnover ratio, (i) Net profit ratio, (j) Return on Capital employed, (k) Return on investment.

Statement of profit and loss:

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head ‘additional information’ in the notes forming part of the standalone financial statements.

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

Significant Accounting Policies:

A summary of the significant accounting policies applied in the preparation of the financial statements are as given below. These accounting policies have been applied consistently to all the periods presented in the financial statements.

2.8 Property, plant and equipment

Recognition and Measurement:

- Property, plant and equipment (PPE) held for use in the supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost, less any accumulated depreciation and cumulative impairment losses (if any).
- Cost comprises of cost of acquisition or construction inclusive of duties (net of tax) incidental expenses, interest and erection/commissioning expenses incurred up to the date asset is put to use. Administrative and other general overhead expenses that are specifically attributable to construction or acquisition of PPE or bringing the PPE to working condition are allocated and capitalized as a part of cost of PPE. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives.

Capital work in progress and Capital Advances:

Capital working progress represents Property Plant and Equipment that are not yet ready for their intended use as at the Balance sheet date. Capital advances given towards purchase/ acquisition of PPE outstanding at each balance

Notes to Financial Statements

for the Year ended March 31, 2021

sheet date are disclosed separately as other Non-current Assets or Other Current Asset.

Non-current assets held for sale

Non-current assets held for sale are presented separately in the Balance Sheet when the following criteria are met

- the Company is committed to selling the assets;
- the assets are available for sale immediately;
- an active plan of sale has commenced; and
- sale is expected to be completed within 12 months.

Assets held for sale and disposal groups are measured at the lower of their carrying amount and fair value less cost to sell. Assets held for sale are no longer amortised or depreciated.

Subsequent Expenditure:

- Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the cost incurred will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced.
- Items such as spare parts, stand by equipment's and servicing equipment's that meet the definition of property, plant and equipment are capitalized at cost and depreciated over their useful life.
- Cost in nature of repair and maintenance expenses are charged to the statement of profit or loss during the reporting period in which they are incurred.

Depreciation and Amortisation:

- Depreciation on tangible assets is provided on straight-line method at the rates determined based on the useful lives of respective assets as prescribed under Schedule II of the Companies Act, 2013.
- Freehold land is not depreciated.
- Cost of leasehold land is amortised over the period of the lease or its useful life, whichever is lower.
- Intangible assets are amortised on straight line basis over its estimated useful life.
- Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted, if appropriate.
- Depreciation on additions (disposals) during the year is provided on a pro-rata basis i.e., from (up to) the date on which asset is ready for use (disposed-off).

Derecognition of Assets:

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss is recognized in the statement of profit and loss.

2.9 Intangible Assets:

Intangible assets are stated at acquisition cost net of accumulated amortisation or cumulative impairment, if any. The Company capitalizes identifiable costs relating to development of internally generated software and these are stated net of accumulated amortisation.

Intangible assets under development comprise costs relating to development of software that are not yet ready for their intended use as at the balance sheet date.

The carrying amount of the intangible asset is derecognized on disposal or when no future economic benefit is expected from its use. Any gain or loss is recognised in the statement of Profit and loss.

2.10 Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(i) Right-of-use Assets (ROU Assets)

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation

Notes to Financial Statements

for the Year ended March 31, 2021

is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to the accounting policies in Note 2.11 Impairment of non-financial assets.

(ii) Lease Liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs. In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. Lease liability and ROU assets have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

(iii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of properties, machinery and equipment (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

2.11 Impairment assets:

- a. The Company assesses at each reporting date whether there is any indication that an asset (tangible or intangible), may be impaired. If any indication exists, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating units (CGU) net selling price and its value in use. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered to be impaired and is written down to its recoverable amount. Impairment losses are recognized in the Statement of Profit and Loss. Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognized for an asset in prior accounting periods may no longer exist or may have decreased and such reversal is recorded in the Statement of Profit and Loss.
- b. Assets that are subject to depreciation and amortisation and assets representing investments in subsidiary and associate companies are reviewed for impairment, whenever events or changes in circumstances indicate that carrying amount may not be recoverable. Such circumstances include, though are not limited to, significant or sustained decline in revenues or earnings and material adverse changes in the economic environment.
- c. An entity shall test an intangible asset with an indefinite useful life or an intangible asset not yet available for use for impairment, irrespective of whether there is any indication of impairment. This impairment test may be performed at any time during the year, provided it is performed at the same time every year.

2.12 Foreign currency Transactions:

- a. The financial statements are presented in Indian Rupee (INR), which is the functional and presentation currency of the Company.
- b. Transactions denominated in foreign currencies are recorded at the exchange rate prevailing at the date of the transaction.
- c. At each balance sheet date, foreign currency monetary items are restated using the closing exchange rate.
- d. Any exchange difference on account of settlement of foreign currency transactions and restatement of monetary assets and liabilities denominated in foreign currency is recognised in the Statement of Profit and Loss.
- e. Non-monetary items are not retranslated at year-end and are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value which are translated

Notes to Financial Statements

for the Year ended March 31, 2021

using the exchange rates at the date when fair value was determined.

2.13 Investments in Subsidiaries and Associates :

The Company has accounted for its investments in subsidiaries and associates at cost less accumulated impairment.

2.14 Inventories:

Cost of Inventories have been computed on basis to include all cost of purchases, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Inventories are valued at lower of cost and net realizable values.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale. Cost are assigned to inventory on First in First out basis.

2.15 Revenue Recognition:

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net off variable consideration) allocated to the performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various elements like discounts etc.. Offered by the company as part of the contract. The variable consideration is estimated based on the expected value of outflow.

a) Rendering of services:

Income from logistics services rendered are recognized when control over the services transferred to the customer i.e. when the customer has the ability to control the use of the transferred services as per the terms of contract. Revenue is recognized at the fair value of consideration received or receivable, to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

b) Sales of Goods:

Revenue from sale of products is recognized when the control on the goods has been transferred to the customer.

c) Others:

I. Dividend income from investments is recognised when the right to receive payment has been established.

II. Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the company and amount of income can be measured reliably.

III. Rent income is recognised on a straight-line basis over the period of the lease.

2.16 Financial instruments:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument in another entity.

(i) Financial assets:

a) Initial recognition and measurement:

On initial recognition, a financial asset is classified and measured at:

- Amortized Cost; or
- Fair value through Other Comprehensive Income (FVOCI); or
- Fair value through Profit or loss (FVTPL)

Financial asset are not reclassified subsequent to their initial recognition, except if and in the period the company changes its business model for managing financial asset. In the case of financial assets, not recorded at fair value through profit or loss (FVPL), financial assets are recognized initially at fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

▪ Financial assets at amortised cost:

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- (a) The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- (b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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for the Year ended March 31, 2021

The effective interest rate (EIR) amortisation is included in finance income in the Statement of Profit and Loss. This category generally applies to long-term deposits and long-term trade receivables.

- **Financial assets at fair value through other comprehensive income (FVOCI):**

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income (designated as FVOCI-equity investment). This election is made on an investment-by-investment basis.

Financial assets are measured at the FVOCI if both of the following conditions are met:

- (a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

- b) **Subsequent measurement**

For purposes of subsequent measurement:

Category	Subsequent measurement and gains and Losses
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method (EIR). The amortised cost is reduced by impairment losses, if any. Interest income, foreign exchange gains and losses and impairment are recognised in Statement of Profit and Loss. Any gain or loss on derecognition is recognised in Statement of Profit and Loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in Statement of Profit and Loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to Statement of Profit and Loss.
Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in Statement of Profit and Loss.

- (ii) **Financial Liability:**

Financial liabilities are classified and measured at amortised cost or FVTPL

- a) **Initial Recognition & Subsequent measurement:**

- **Financial liabilities through fair value through profit or loss (FVTPL):**

A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in Statement of Profit and Loss.

- (b) The asset's contractual cash flows represent SPPI.

Financial assets included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI).

- **Financial assets at fair value through profit or loss (FVTPL):**

All financial assets which are not classified/measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

- **Financial liabilities at amortised cost:**

Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in Statement of Profit and Loss.

Interest bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in Statement of Profit and Loss when the liabilities are derecognized as well as through the EIR amortisation process. For trade and other payables maturing within one year from the balance sheet date, the carrying

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for the Year ended March 31, 2021

amounts approximates fair value due to the short maturity of these instruments.

b) Financial guarantee liability:

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument.

Financial guarantee contracts are recognised initially as a liability at fair value net off transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

(iii) Impairment of Financial Assets:

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime Expected credit loss at each reporting date, right from its initial recognition.

As a practical expedient, the Company uses historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates to determine impairment loss allowance on portfolio of its trade receivables.

(iv) Derecognition:

a) Financial Assets:

The Company derecognizes a financial asset only

- when the contractual rights to the cash flows from the asset expire, or
- It transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and

rewards of ownership of the financial asset are transferred or in which the company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

b) Financial liabilities:

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in Statement of Profit and Loss.

(v) Offsetting instruments:

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet, when and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

2.17 Fair Value measurement:

A number of the Company's accounting policies and disclosures require the measurement of fair values, for financial assets and financial liabilities. The Company has an established control framework with respect to the measurement of fair values. The management has overall responsibility for overseeing all significant fair value measurements and it regularly reviews significant unobservable inputs and valuation adjustments. The Company measures financial assets and financial liability at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based

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for the Year ended March 31, 2021

on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1- Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2- Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3- Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

2.18 Employee benefits:

a) Defined contribution plan:

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Company makes specified monthly contributions of employee provident fund to Government administered provident fund and Employee State insurance scheme which is defined contribution plans. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in the statement of Profit and Loss in the periods during which the related services are rendered by employees.

b) Defined benefit plan:

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.

The Company's gratuity benefit scheme is a defined benefit plan. The Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets. The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in Other comprehensive income (OCI). The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in Statement of Profit and Loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in Statement of profit and Loss. The Company recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

The contributions are deposited with the Life Insurance Corporation of India based on information received by the Company. When the benefits of a plan are improved, the portion of the increased benefit related to past service by employees is recognised in Statement of Profit and Loss on a straight-line basis over the average period until the benefits become vested.

c) Compensated absences:

As per policy of the Company, employees can carry forward unutilized accrued compensated absences and utilize it in next service period or receive cash compensation. Since the compensated absences fall due wholly within twelve months after the end of the period in which the employees render the related service and are also expected to be utilized wholly within twelve months after the end of such period, the benefit is classified as a current employee benefit. The Company records an obligation for such compensated absences in the year in which the employee renders the services that increase this entitlement.

The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Remeasurements as a result of experience adjustments

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for the Year ended March 31, 2021

and changes in actuarial assumptions are recognised in the Statement of Profit and Loss.

d) Short-term employee benefit:

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

2.19 Income taxes :

The tax expense for the period comprises current and deferred tax. Tax is recognised in Statement of Profit and Loss, except to the extent that it relates to items recognised in the comprehensive income or in equity. In which case, the tax is also recognised in other comprehensive income or equity.

a) Current tax:

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted at the Balance sheet date.

b) Deferred tax:

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it

is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

2.20 Cash and cash equivalents:

In the cash flow statement, cash and cash equivalents include cash in hand, cheques in hand, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less.

2.21 Provisions and Contingencies:

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

Contingent liabilities are disclosed in respect of possible obligations that arise from past events, whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Such liabilities are disclosed by way of notes to the financial statements. No disclosure is made if the possibility of an outflow on this account is remote.

A contingent asset is a possible asset arising from past events, the existence of which will be confirmed only by the occurrence or nonoccurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are not recognised till the realisation of the income is virtually certain. However, the same are disclosed in the financial statements where an inflow of economic benefits are possible.

2.22 Borrowing cost:

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalized as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

Where there is an unrealized exchange loss which is treated as an adjustment to interest and subsequently there is a realised or unrealized gain in respect of the settlement or translation of the same borrowing, the gain to the extent of the loss previously recognised as an adjustment is recognised as an adjustment to interest.

Notes to Financial Statements

for the Year ended March 31, 2021

2.23 Share based payments:

Equity- settled share-based payments to employees are measured at the fair value of the employee stock options at the grant date.

The fair value of option at the grant date is expensed over the vesting period with a corresponding increase in equity as "Share Option outstanding account". In case of forfeiture of unvested option, portion of amount already expensed is reversed. In a situation where the vested option forfeited or expires unexercised, the related balance standing to the credit of the "Share Option outstanding account" are transferred to the "General Reserve". When the options are exercised, the Company issues new fully paid up equity shares of the Company. The proceeds received and the related balance standing to credit of the Share Option outstanding account, are credited to equity share capital (nominal value) and Securities Premium.

2.24 Segment Reporting:

Segments are identified based on the manner in which the Chief Operating Decision Maker ('CODM') decides about resource allocation and reviews performance. Segment results that are reported to the CODM include items directly

attributable to a segment as well as those that can be allocated on a reasonable basis. Segment capital expenditure is the total cost incurred during the period to acquire property and equipment and intangible assets other than goodwill.

2.25 Earnings per share:

(i) Basic earnings per share

Basic earnings per share are calculated by dividing the net profit or loss before other comprehensive Income for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

(ii) Diluted earnings per share:

Diluted earnings per share adjust the figures used in the determination of basic earnings per share to take into account:

- The after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

Notes to Financial Statements

for the Year ended March 31, 2021

3A. Property, Plant and Equipment

Tangible Assets

Particulars	Gross Block				Depreciation			Net Carrying Value As at March 31, 2021
	As at March 31, 2020	Additions	Deductions/ Adjustment	Assets reclassified to held for Sale	As at March 31, 2021	For the year	Assets reclassified to held for Sale	
Freehold Land	21,414	-	6,516	12,722	2,176	-	-	2,176
Buildings	2,854	-	533	1,727	594	87	178	492
Vehicles	223	14	29	-	208	(2)	-	113
Plant & Machinery	310	-	-	-	310	-	-	198
Computers	804	-	-	-	804	-	-	18
Furniture & Fittings	563	-	-	-	563	-	-	158
Office Equipments	104	-	-	-	104	-	-	14
TOTAL	26,272	14	7,078	14,449	4,759	85	178	3,169

Particulars	Gross Block				Depreciation			Net Carrying Value As at March 31, 2020
	As at March 31, 2019	Additions	Deductions/ Adjustment	Assets reclassified to held for Sale	As at March 31, 2019	For the year	Assets reclassified to held for Sale	
Freehold Land	22,666	-	184	1,069	21,414	-	-	21,414
Buildings	4,763	-	401	1,507	2,854	76	160	2,533
Vehicles	558	84	419	-	223	30	-	158
Plant & Machinery	403	-	1	92	310	26	33	218
Computers	844	22	62	-	804	57	-	50
Furniture & Fittings	1,383	18	151	686	563	98	359	188
Office Equipments	482	10	79	309	104	35	262	20
TOTAL	31,099	134	1,297	3,663	26,272	322	814	24,581

Notes:

- Refer Note 19 for information on Property, Plant and Equipments pledged as securities by the Company.
- The Company has not capitalized any borrowing cost during the year. (March 31, 2020 - Nil)
- Refer Note 16 for detailed information on assets held for sale.

Notes to Financial Statements

for the Year ended March 31, 2021

3B. Right of use Assets (ROU)

Particulars	Gross Block				Depreciation			Net Carrying Value As at March 31, 2021	
	As at March 31, 2020	Additions	Deductions/ Adjustment	Assets reclassified to held for Sale	As at March 31, 2021	Depreciation for the year	Deductions/ Adjustment		Assets reclassified to held for Sale
Leasehold Land	1,034	-	-	123	911	66	11	9	843
Buildings	107	-	39	-	68	36	14	-	39
Total	1,141	-	39	123	979	102	25	9	882

Particulars	Gross Block			Depreciation			Net Carrying Value As at March 31, 2020
	As at April 1, 2019	Additions	Deductions/ Adjustment	As at April 1, 2019	For the year	Deductions/ Adjustment	
Leasehold Land	1,034	-	-	55	11	-	66
Buildings*	-	107	-	-	36	-	36
Total	1,034	107	-	55	47	-	1,039

* Opening balances reclassified on adoption of Ind AS 116.

Notes:

- The aggregate depreciation expenses on Right of use asset (ROU) is included under depreciation and amortization expenses in the Statement of Profit and Loss.
- The company's obligation under finance leases are secured by lessor's title to the leased assets.

Notes to Financial Statements

for the Year ended March 31, 2021

4. Investment in Subsidiaries

(₹ In Lakhs)

	As at March 31, 2021		As at March 31, 2020	
	Numbers / Units	Amount	Numbers / Units	Amount
Investments measured at Cost				
Equity Instrument (Unquoted)				
Investment in Subsidiaries				
Gati Asia Pacific Pte Ltd. of \$1 (SGD) each (Refer Note 50)	-	-	88,65,829	3,510
Less: Impairment Allowance	-	-	-	(3510)
	-	-	-	-
Zen Cargo Movers Pvt. Ltd. of ₹10/- each	3,62,163	36	3,62,163	36
Less: Impairment Allowance	-	(36)	-	(36)
	-	-	-	-
Gati Kausar India Ltd. of ₹10/-each (25,62,826 (Previous year: 25,62,826 shares) shares pledged with institution as security for bonds issued by Gati Kausar India Ltd.)	52,12,526	4,014	52,12,526	4,014
Less: Impairment Allowance	-	(4014)	-	(4014)
	-	-	-	-
Gati Import Export Trading Ltd. of ₹10/- each	23,00,000	230	23,00,000	230
Less: Impairment Allowance	-	(120)	-	-
Total (A)		110		230
Gati Kintetsu Express Pvt Ltd. of ₹10/- each	3,50,000	55,255	3,50,000	55,256
Gati Logistics Parks Private Ltd. of ₹10/- each (Refer Note 53)	10,000	1	10,000	910
Gati Projects Private Ltd. of ₹10/- each	10,000	1	10,000	1
Total (B)		55,257		56,167
Grand Total (A+B)		55,367		56,397

Aggregate amount of Unquoted Investments and Impairment allowance of Investments are given as below:

(₹ In Lakhs)

	As at March 31, 2021	As at March 31, 2020
Aggregate carrying cost of Unquoted Investments (Net of Impairment allowance)	55,367	56,397
Aggregate Impairment Allowance	4,170	7,560

5. Investments

(₹ In Lakhs)

	As at March 31, 2021		As at March 31, 2020	
	Numbers / Units	Amount	Numbers / Units	Amount
Investments at Fair Value through Profit and Loss				
1. Investments in Equity Instruments (Unquoted)				
Brown Tape Technology Pvt Ltd of ₹10 /- each {Refer Note 38(II)}	-	-	14,451	-
Total		-	-	-
2. Investments in Preference shares:				
0.001% Compulsory convertible cumulative preference share of Brown Tape Technology Pvt Ltd. of ₹20/- each {Refer Note 38(II)}	-	-	4,256	-
3. Investments in Optionally Convertible Debentures:				
14.5% Unsecured OCD of Amrit Jal Ventures Pvt Ltd. of ₹100 /- each	-	-	-	-
14.5% Unsecured OCD of Gati Infrastructure Sada-Mangder Power Pvt Limited of ₹100/- each	-	-	-	-
Total		-	-	-

Notes to Financial Statements

for the Year ended March 31, 2021

Aggregate amount of Quoted and Unquoted Investments, Market value of Quoted Investments are given as below:

(₹ In Lakhs)

	As at March 31, 2021	As at March 31, 2020
Aggregate Market Value of Quoted Investments	-	-
Aggregate carrying cost of Quoted Investments	-	-
Aggregate carrying cost of Unquoted Investments	-	-

Note:

Based on the valuation being done internally/ by independent agencies the valuation for Investments at Fair Value through Profit and Loss is considered to be Nil (Previous year Nil)

6. Loans

(₹ In Lakhs)

	As at March 31, 2021	As at March 31, 2020
Unsecured, Considered Good		
Security Deposits	-	5
Secured, Considered good		
Loan to Subsidiary (Refer Note 52)	-	1,790
Total	-	1,795

7. Deferred tax Assets (Net)

(₹ In Lakhs)

	As at March 31, 2021	As at March 31, 2020
Deferred Tax Asset		
Allowance for Doubtful Receivables & Loans	454	429
Deferred Tax Liability		
Property, Plant and Equipment	(400)	(361)
Others	(54)	(68)
Total	-	-

Note:

Deferred tax asset arising on account of business loss, allowance for doubtful receivables and advances, allowance for impairment of investments etc. has been recognised in books only to the extent of deferred tax liability. The reason for non recognition of deferred tax asset is due to carry forward losses and possible future capital gain on investments not being available for set off.

8. Other non-current assets

(₹ In Lakhs)

	As at March 31, 2021	As at March 31, 2020
Capital Advance	115	115
Less: Provision for capital Advance	(100)	(100)
	15	15
Deferred employee stock option compensation	-	1
Balances with statutory Authorities	137	137
Prepaid Expenses	8	24
Others	94	-
Total	254	177

Notes to Financial Statements

for the Year ended March 31, 2021

9. Inventories

	(₹ In Lakhs)	
	As at March 31, 2021	As at March 31, 2020
(At lower of cost or Net realisable value)		
Stock in Trade	331	202
Total	331	202

Note: No inventories were pledged as security for liabilities during the year and comparable year.

10. Current Investments

	(₹ In Lakhs)	
	As at March 31, 2021	As at March 31, 2020
Investment at Fair value through Profit & Loss (Quoted)		
ICICI Pru Liquid Fund-Growth: Nil (31 March 2020: 688674) Units	-	2,014
IDFC Money Manager Fund-Regular - Growth: Nil (31 March 2020: 3305779) Units	-	1,010
Kotak Liquid Fund-Regular- Growth: Nil (31 March 2020: 50321) Units	-	2,013
L&T Money Market Fund-Regular - Growth: Nil (31 March 2020: 10124531) Units	-	2,014
PGIM India Insta Cash Fund - Growth: Nil (31 March 2020: 284301) Units	-	731
Total	-	7,782

	(₹ In Lakhs)	
	As at March 31, 2021	As at March 31, 2020
Aggregate Market Value of Quoted Investments	-	7,782
Aggregate carrying cost of Quoted Investments	-	7,720

11. Trade receivables

	(₹ In Lakhs)	
	As at March 31, 2021	As at March 31, 2020
Unsecured		
Considered Good	837	2,122
Credit Impaired	1,174	1,032
	2,011	3,154
Less: Allowance for Doubtful Receivables (Refer Note - 43C)	(1,174)	(1,032)
Total	837	2,122

Note:

- i) No trade or other receivables are due from directors or other officers of the company either severally or jointly with any other person.
- ii) For details of debts due from firms or private companies in which any director is a partner, a director or a member, Refer note no. 47 of related party transactions
- iii) Trade receivables are non interest bearing and are generally on terms of 30 to 90 days

Notes to Financial Statements

for the Year ended March 31, 2021

12A. Cash and Cash Equivalents

(₹ In Lakhs)

	As at March 31, 2021	As at March 31, 2020
Cash on hand	18	39
Balance with Banks:		
In Current Accounts	1,003	989
Total	1,021	1,028

12B. Bank Balances other than 12A above

(₹ In Lakhs)

	As at March 31, 2021	As at March 31, 2020
In earmarked accounts		
Deposits with original maturity of more than three months and less than twelve months	203	462
Unpaid Dividend account	86	92
Total	289	554

13. Loans

(₹ In Lakhs)

	As at March 31, 2021	As at March 31, 2020
Unsecured, Considered Good, unless otherwise stated		
Loans to others	38	18
Loan receivable with credit Impaired from subsidiary	164	164
Less: Allowance for Doubtful Loans	(164)	(164)
	38	18
Secured, Considered Good		
Loan to Subsidiary (Refer note: 52)	2,001	-
Less: Allowance for Doubtful Loans	(1242)	-
	759	-
Total	797	18

14. Other Financial assets

(₹ In Lakhs)

	As at March 31, 2021	As at March 31, 2020
(Unsecured, Considered good unless otherwise stated)		
Accrued Interest on Deposits, Loans & investments, etc.	2,166	2,171
Less: Allowance for Doubtful receivables	(2157)	(2157)
	9	14
Other Advances receivable (Refer Note: 48 & 49)	2,537	2,750
Less: Allowance for Doubtful receivables	(2319)	(60)
	218	2,690
Total	227	2,704

Notes to Financial Statements

for the Year ended March 31, 2021

15. Other current assets

	(₹ In Lakhs)	
	As at March 31, 2021	As at March 31, 2020
(Unsecured, Considered good unless otherwise stated)		
Operational Advance	134	260
Less: Provision for Operational Advance	(18)	(18)
	116	242
Prepaid Expenses	9	13
Balances with statutory Authorities	116	58
Others	-	35
Total	241	348

16. Assets classified - held for sale

	(₹ In Lakhs)	
	As at March 31, 2021	As at March 31, 2020
A) Property, Plant & Equipment		
Land & Building	6,968	2,416
Plant & Machinery	59	59
Furniture & Fixtures	327	327
Office Equipment	47	47
Total	7,401	2,849

Note- Refer Note 19 for information on Property, Plant and Equipments pledged as securities by the Company.

B) Investments

	(₹ In Lakhs)			
	As at March 31, 2021		As at March 31, 2020	
	Number/Units	Amount	Number/Units	Amount
a) Investment in an Associate				
Gati Ship Ltd. of ₹10/- each	48,00,000	8,623	48,00,000	8,623
Less: Impairment Allowance		(8,623)		(8,623)
Total (a)		-		-
b) Investments in Optionally Convertible Debentures: (Unquoted)				
14.5% Unsecured OCD of Amrit Jal Ventures Pvt Ltd. of ₹100 /- each	34,57,236	-	34,57,236	-
14.5% Unsecured OCD of Gati Infrastructure Sada-Mangder Power Pvt Limited of ₹100/- each	9,93,354	-	9,93,354	-
Total (b)		-		-
Grand Total (a+b)		-		-

The Board has approved the disposal of the above Property Plant & Equipment and investments and transaction is expected to complete within the near term.

Notes to Financial Statements

for the Year ended March 31, 2021

17. Equity Share Capital

(₹ In Lakhs)

	As at March 31, 2021		As at March 31, 2020	
	Number	Amount	Number	Amount
Authorized:				
Equity Shares of ₹2/- each	17,50,00,000	3,500	12,50,00,000	2,500
Redeemable Preference Shares ₹100/- each	-	-	5,00,000	500
		3,500		3,000
Issued:				
Equity Shares of ₹2/- each fully paid up	12,19,45,977	2,439	12,19,45,977	2,439
		2,439		2,439
Subscribed and Paid-up:				
Equity Shares of ₹2/- each fully paid up	12,19,45,977	2,439	12,19,45,977	2,439
		2,439		2,439

a) Terms /Rights attached to Shareholder

The Company has only one class of issued shares i.e. Equity Shares having par value of ₹2/- per share. Each holder of Equity Shares is entitled to one vote per share and ranks pari passu. The dividend proposed by the Board of Director is subject to the approval of shareholder in the ensuing Annual General Meeting except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after payment of all preferential amounts, in proportion to their shareholding.

b) Reconciliation of equity shares outstanding at the beginning and at the end of the year:

(₹ In Lakhs)

Equity Shares of ₹2 each fully paid	As at March 31, 2021		As at March 31, 2020	
	No. of Shares	Amount	No. of Shares	Amount
Shares at the beginning of the year	12,19,45,977	2,439	10,85,42,137	2,171
Shares issued on exercise of Employee Stock Option Scheme	-	-	70,500	1
Share issued on allotment	-	-	1,33,33,340	267
Shares at the end of the year	12,19,45,977	2,439	12,19,45,977	2,439

c) Details of shareholders holding more than 5% of the aggregate shares in the Company:

Name of Share holder	As at March 31, 2021		As at March 31, 2020	
	No. of Shares	% of holding	No. of Shares	% of holding
Equity Shares of ₹2 each fully paid held by				
Allcargo Logistics Limited	5,71,45,955	46.86%	2,54,03,340	20.83%
Bay Capital India Fixed Income Fund Ltd.	-	-	68,85,335	5.65%
Mr. Mukul Mahavir Agrawal	63,01,596	5.17%	-	-
Total	6,34,47,551	52.03%	3,22,88,675	26.48%

d) Equity Shares have been reserved for issue under options and contracts/commitments for the sale of shares/disinvestment as at the Balance Sheet date:

i) No options (Equity Shares of ₹2 each) are reserved under employee stock option scheme as on March 31, 2021 (Previous year 1,11,000 as on March 31, 2020).

(₹ In Lakhs)

Equity Shares of ₹2 each fully paid	As at March 31, 2021		As at March 31, 2020	
	No. of Equity Shares to be issued as fully paid up	Amount	No. of Equity Shares to be issued as fully paid up	Amount
Employee stock option granted and Outstanding	-	-	1,11,000	2
Total	-	-	1,11,000	2

Notes to Financial Statements

for the Year ended March 31, 2021

- e) The company has neither allotted any equity shares for consideration other than cash nor has issued any bonus shares nor has bought back any shares during the period of five years preceding the date at which Balance Sheet is prepared.
- f) No calls are unpaid by any directors or officers of the company during the year.

18. Other Equity

	(₹ In Lakhs)	
	As at March 31, 2021	As at March 31, 2020
a) Securities Premium	34,100	34,100
b) General Reserve	8,785	8,740
c) Capital Reserve	2,084	2,084
d) Tonnage Tax Reserve (Utilised)	929	929
e) Share Option Outstanding account	-	45
f) Special Reserve	22,336	22,336
g) Retained Earning	(8,227)	9,333
Total Other Equity	60,007	77,568

A The Description, Nature and Purpose of each reserve under other equity are as follows

- a) **Securities Premium:** Securities premium represents the premium on issue of equity shares. The same can be utilised in accordance with the provisions of the Companies Act, 2013.
- b) **General Reserve:** This reserve is the retained earnings of the company, which are kept aside out of the Company's profit to meet future (known or unknown) obligations.
- c) **Capital Reserve:** Capital Reserve includes amount received on allotment of convertible warrants was forfeited and transferred to Capital Reserve Account.
- d) **Tonnage Tax Reserve (Utilised):** This reserve is a statutory reserve which is created and will be utilized in accordance with the provisions of Section 115VT of Income tax Act 1961 to comply with the provisions of 'Tonnage Tax Scheme' under Chapter XII-G.
- e) **Share option outstanding account:** The share option outstanding account is used to record the value of equity- settled share based payment transactions with employees. The amount recorded in the share option outstanding account are transferred to securities premium upon exercise of stock options by employees.
The amount outstanding in the "Share Option Outstanding account" has been transferred to "General Reserve", when the options are lapsed / cancelled.
- f) **Special Reserve:** The Hon'ble Andhra Pradesh High Court, approved the Scheme of Arrangement for amalgamation. ("The Scheme") vide its Order dated March 19, 2013 which interalia, permits creation of a capital reserve to be called Special Reserve to which shall be credited excess of value of assets over value of liabilities on amalgamation of the subsidiaries amounting to ₹55,554 Lakhs to be utilized by the Company to adjust therefrom any capital losses arising from transfer of assets and certain other losses, any balance remaining in the Special Reserve shall be available for adjustment against any future permanent diminution in the value of assets and exceptional items etc. as specified in the Scheme as the Board of directors may deem fit.
- g) **Retained Earnings:** Retained earnings comprise of net accumulated profit/(loss) of the company, after declaration of dividend.

Notes to Financial Statements

for the Year ended March 31, 2021

19. Non Current Borrowings

(₹ In Lakhs)

	As at March 31, 2021		As at March 31, 2020	
	Non- Current	Current	Non- Current	Current
Secured				
i) Term Loan From Banks	854	488	3,267	2,300
ii) Term Loan From Financial Institutions	-	2	818	594
Sub Total (A)	854	490	4,085	2,894
Unsecured				
Fixed deposits from public	406	256	515	753
Amount disclosed under the head "Other Current Financial Liabilities" (Refer Note: 25)		(746)		(3647)
Sub Total (B)	406	(490)	515	(2894)
Total (A+B)	1,260	-	4,600	-

Bank Name	ROI	No of O/S Instalments	Instalment Amount	Starting Date	Outstanding (₹ in lakhs)	Nature of Security / Pledge
Kotak Mahindra Bank Ltd-Loan II	MCLR + 100 BPS	23/Monthly	40	25-04-2018	931	Note (A)
Kotak Mahindra Bank Ltd- GECL loan	8.00%	48/Monthly	8	25-02-2022	388	Note (B)
Vehicle Loan	9.00%	EMI		01-08-2013	30	Note (C)
Unwinding interest on term loan					(5)	

Nature of Security/Pledge

- First and exclusive charge by way of mortgage of Immovable property situated at Samalka, New Delhi, which is classified as held for sale during the year.
- The collateral being second charge on all primary and collateral securities available for the existing facilities with the bank.
- Hypothecated against vehicle Loans.

20. Lease Liabilities

(₹ In Lakhs)

	As at March 31, 2021		As at March 31, 2020	
	Non- Current	Current	Non- Current	Current
Lease Liabilities (Refer Note: 39)	32	15	47	30
Total	32	15	47	30

21. Other financial liabilities (Non Current)

(₹ In Lakhs)

	As at March 31, 2021	As at March 31, 2020
Interest accrued but not due on borrowings	24	22
Security Deposit	-	46
Total	24	68

22. Non Current Provisions

(₹ In Lakhs)

	As at March 31, 2021	As at March 31, 2020
Employee Benefits		
Leave Encashment	8	32
Total	8	32

Notes to Financial Statements

for the Year ended March 31, 2021

23. Current Borrowings

	(₹ In Lakhs)	
	As at March 31, 2021	As at March 31, 2020
Secured		
Working Capital facilities		
From banks	-	2,104
Total	-	2,104

24. Trade Payables

	(₹ In Lakhs)	
	As at March 31, 2021	As at March 31, 2020
For Goods and Services		
Total Outstanding dues of micro and small enterprises (Refer Note No: 41)	-	-
Total Outstanding dues of creditors other than micro and small enterprises	365	4,548
Total	365	4,548

25. Other financial liabilities

	(₹ In Lakhs)	
	As at March 31, 2021	As at March 31, 2020
Current Maturities of Long-term Borrowings (Refer Note. 19)	746	3,647
Security Deposits	804	963
Corporate Guarantee Obligation	3	6
Interest accrued but not due on Borrowings	30	126
Unpaid Dividends*	86	92
Employee benefits Liabilities	121	242
Unpaid matured deposits and interest accrued thereon	93	116
Liability towards guarantee invoked	2,360	2,360
Others	736	726
Total	4,979	8,278

(*)Due to technical issues the company could not transfer the unclaimed dividend amount of ₹7 lakhs to Investor Education and protection fund pertaining to the financial year 2012-13. The said amount has been transferred to Investor education and protection Fund post balance sheet date.

26. Other current liabilities

	(₹ In Lakhs)	
	As at March 31, 2021	As at March 31, 2020
Statutory dues payable	54	104
Other Advances	2	2
Total	56	106

27. Current Provisions

	(₹ In Lakhs)	
	As at March 31, 2021	As at March 31, 2020
Employee Benefits		
Leave Encashment	3	5
Total	3	5

Notes to Financial Statements

for the Year ended March 31, 2021

28. Revenue from Operations

(₹ In Lakhs)

	Year ended March 31, 2021	Year ended March 31, 2020
Sale of Services		
Freight, Ecommerce, Demurrage and Miscellaneous services	2,666	14,517
Sale of Products		
Sale of Diesel, Petrol and Lubricants	24,480	27,448
Total (A)	27,146	41,965
Other Operating Revenue		
Management Fee from Subsidiaries	159	160
Other Recoveries	140	389
Total (B)	299	549
Grand Total (A+B)	27,445	42,514

A. Revenue from contracts with customers disaggregated based on revenue stream and by reportable segment

(₹ In Lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Revenue based on product & services		
a) Express Distribution	2,666	16,258
b) Fuel Stations	24,480	25,707
c) Other Operating Revenues	299	549
Total	27,445	42,514
Revenue based on Geography		
India	27,445	42,514
Overseas	-	-
	27,445	42,514
Reconciliation of Revenue from Operation with contract price		
Revenue as per contract price	27,278	42,566
Less:		
Credit Note	(84)	(428)
Unsatisfied Performance Obligation	(48)	(173)
Revenue from Operations	27,146	41,965

Transaction Price - Unsatisfied Performance Obligation

The Company's unsatisfied performance obligations mainly arises on account of undelivered shipments. The aggregate value of transaction price allocated to the unsatisfied performance obligations as at 31st March 2021 is ₹48 Lakhs, which is expected to be recognised during next year.

The Company recognises revenue at a point in time. Contract with customers are of short-term duration and all sales are direct to customers.

B. Contract Balances

(₹ In Lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Contract Assets	10	9
Trade Receivables	2,011	3,154
Less: Impairment allowances	(1,174)	(1,032)
Total	837	2,122

Contract asset is the right to consideration in exchange for goods or services transferred to the customer. Contract liability is the entity's obligation to transfer goods or services to a customer for which the entity has received consideration from the customer in advance. Contract assets are transferred to receivables when the rights become unconditional and contract liabilities are recognised as revenue as and when the performance obligation is satisfied.

Notes to Financial Statements

for the Year ended March 31, 2021

29. Other Income

	(₹ In Lakhs)	
	Year ended March 31, 2021	Year ended March 31, 2020
Interest Income on		
Deposit with Bank	73	96
Unwinding of other financial assets carried at amortised cost	211	177
Refund of Income tax	31	86
Dividend Income		
From Subsidiary	-	756
Other Non Operating Income		
Rental Income	629	613
Net Foreign Exchange Gain	-	7
Net Gain on disposal of Property, plant & equipment	-	51
Net Gain on sale of investments(*)	111	-
Liabilities no longer required written back	27	108
Gain on Sale of Mutual Funds	80	-
Net Gain on Investments measured at FVTPL	-	62
Others	43	81
Total	1,205	2,037

(*) Gain of ₹111 lakhs has been recognised on the disposal of investment in the Brown Tape Technology Private Limited. No gain has been recognized during the current financial year for additional consideration which is not virtually certain (Refer note 38(II)).

30. Operating Expenses

	(₹ In Lakhs)	
	Year ended March 31, 2021	Year ended March 31, 2020
Freight	2,114	12,087
Claims for Loss & Damages (Net)	373	284
Other Operating Expenses	172	320
Total	2,659	12,691

31. Changes in Inventories of Stock-in-Trade

	(₹ In Lakhs)	
	Year ended March 31, 2021	Year ended March 31, 2020
Opening Stock:		
Stock-in-trade	202	274
	202	274
Less: Closing Stock		
Stock-in-trade	331	202
	331	202
(Increase) / Decrease in Inventories of Stock-in-trade	(129)	72

32. Employee benefits expense

	(₹ In Lakhs)	
	Year ended March 31, 2021	Year ended March 31, 2020
Salaries, Wages & Bonus	568	2,190
Contribution to Provident and Other Funds	66	144
Staff Welfare Expenses	20	72
Expenses on Employee Stock Option scheme	1	(9)
Total	655	2,397

Notes to Financial Statements

for the Year ended March 31, 2021

33. Finance Costs

(₹ In Lakhs)

	Year ended March 31, 2021	Year ended March 31, 2020
Interest Expense on		
Term Loans and Working Capital facilities	522	1,082
Public Deposits	104	130
Lease Liabilities	7	13
Tax Matters	-	10
Others Borrowing Cost	36	20
Total	669	1,255

34. Depreciation and amortization expense

(₹ In Lakhs)

	Year ended March 31, 2021	Year ended March 31, 2020
Depreciation on Property, Plant and Equipment (Refer Note: 3A)	163	321
Depreciation on Right to use Asset (Refer Note: 3B)	25	47
Total	188	368

35. Other expenses

(₹ In Lakhs)

	Year ended March 31, 2021	Year ended March 31, 2020
Rent	20	133
Rates and Taxes	26	53
Repairs and Maintenance	14	139
Insurance	24	30
Telephone expenses	18	70
Printing and Stationery	6	40
Travelling expenses	8	86
Electricity	13	30
Professional and Legal expenses	382	289
Bank Collection charges	23	115
Donations	-	15
Corporate Social Responsibility Expenditure (Refer Note 35.1)	30	3
Directors Sitting fees	18	31
Remuneration to Auditors [Refer Note: 35.2]	12	27
Allowance for advances	-	118
Capital work-in-progress written off & Other advance written off	-	72
Allowance for Doubtful Receivables	423	174
Bad debts and irrevocable balances written off	281	59
Less: Provision for loss allowances recognised in earlier years	(281)	(18)
Impairment allowance for Investment	-	760
Investment Write-off	-	1,875
Less: Provision for Investment recognised in earlier years	-	(1,875)
Management Fee	180	433
Net Foreign Exchange gain/ (loss)	9	-
Service tax Amnesty Scheme	-	382
Miscellaneous expenses	159	303
Total	1,365	3,344

Notes to Financial Statements

for the Year ended March 31, 2021

35.1 Corporate Social Responsibility Expenditure

- (a) During the year, the company has incurred ₹30 lakhs (previous year ₹3 lakhs) on account of Corporate Social Responsibility (CSR) included under Other Expenses.
- (b) Gross Amount required to be spent by the company during the year is ₹30 lakhs.
- (c) Amount of ₹30 lakhs, approved by the board to be spent during the year
- (d) Amount spent during the year on:

Particulars	(₹ In Lakhs)	
	Year ended March 31, 2021	Year ended March 31, 2020
i) Construction/Acquisition of any asset	-	-
ii) On purpose other than (i) above	30	3
	30	3

- (e) **Unspent Amount:**

Particulars	(₹ In Lakhs)
Opening Balance as on April 01, 2020	194
Amount deposited in specified fund of schedule VII within 6 months	-
Amount required to be spent during the year	30
Amount spent during the year	(30)
Closing Balance as on March 31, 2021	194

35.2 Payment to auditor (Excluding Goods and Services Tax)

	(₹ In Lakhs)	
	Year ended March 31, 2021	Year ended March 31, 2020
Statutory Audit fees	8	8
Taxation Matters	-	4
Certification fees and other services	4	15
	12	27

36. Exceptional Items

	(₹ In Lakhs)	
	Year ended March 31, 2021	Year ended March 31, 2020
Loss on Asset Held for Sale Classification - Land & Building	9,833	-
Loss on disposal of Asset held for sale	1,420	-
Net Loss on Sale of Property, plant & equipment	221	-
Allowance for advances (Refer note:48, 49 & 52)	3,498	-
Investment Written down (Refer Note: 53)	909	-
Impairment allowance for Investment (Refer Note: 54)	120	-
Total	16,001	-

Notes to Financial Statements

for the Year ended March 31, 2021

The Exceptional items (non-cash, non-recurring) of ₹16,001 lakhs represents;

- Diminution amounting to ₹11,473 lakhs in the present fair value of the assets sold during the year and proposed to be sold which is disclosed as "Assets held for Sale".
- Overdue advances amounting to ₹1,849 Lakhs given to few parties in previous years have been fully provided in the current Financial year.
- Provision of ₹1,242 lakhs on account of fair value of the land, given as security by wholly owned subsidiary (Gati Logistics Parks Limited), against the interest free loan given by the Company to its wholly owned subsidiary in previous years amounting to ₹2,001 Lakhs.
- Gati Import Export Trading Limited (GIETL), a wholly owned subsidiary of the Company, has scaled down its operations in FY 2021 due to change in market dynamics. Company's investment in GIETL has been impaired to the extent of ₹120 lakhs.
- The value of company's investment in a wholly owned subsidiary i.e. Gati Logistic Parks Limited has been written down to the extent of ₹909 lakhs.
- Past receivable of ₹410 lakhs from Air India remains sub-judice before Hon'ble High Court of New Delhi. Same has been provided for during the current Financial year.

37. TAX EXPENSES

(₹ In Lakhs)

	Year ended March 31, 2021	Year ended March 31, 2020
Income Tax recognised in Statement of Profit and Loss		
Current Tax	-	-
Deferred Tax	-	-
Taxes related to earlier years (Refer Note 38 (f))	1,053	3,631
Total	1,053	3,631

37.1 Reconciliation of Income Tax expense for the year with book profits

(₹ In Lakhs)

	Year ended March 31, 2021	Year ended March 31, 2020
Profit/(Loss) before Tax (After Exceptional Items)	(16,578)	(2,151)
Applicable Tax Rate	34.94%	34.94%
Tax Expense*	(5,793)	(752)
Tax Effect of:		
Non-deductible expenses for tax purpose	5,464	17
Expenses allowable for tax purposes	(344)	(286)
Other differences (Including effect of non recognition of Deferred Tax Asset)	673	1,021
Income tax recognised in profit or loss	-	-
Effective Tax Rate*	0%	0%

* Excludes effect of adjustment of ₹1,053 Lakhs (previous year ₹3,631 Lakhs) on account of tax related to earlier year

37.2 Under the new section of Income tax Act 115BBA of the Income Tax Act, 1961 as introduced by the Taxation laws (Amendment) Ordinance, 2019 the Company has an Option to avail of the reduced tax rate. The Company has significant MAT credit pertaining to previous years as of date. Hence the company will consider the matter after availing the MAT credit in future.

Notes to Financial Statements

for the Year ended March 31, 2021

38. Contingent liabilities and Commitments

(I) Contingent Liabilities (to the extent not provided for)

	(₹ In Lakhs)	
	As at March 31, 2021	As at March 31, 2020
(a) Claim against the Company not acknowledged as debt		
(i) Income tax Demand disputed in appeals (Includes amount paid under protest Nil, previous year - ₹990 Lakhs)*	2,442	4,107
(ii) Indirect Tax demand disputed in appeals (Includes amount paid under protest ₹11 Lakhs, previous year - ₹11Lakhs)	4,445	4,445
(iii) Others	147	407
Total	7,034	8,959

(i) Pending resolution of the respective proceedings, it is not practicable for the Company to estimate the timing of cash outflows, if any, in respect of the above as it is determinable only on receipt of judgments / decisions pending with various forums / authorities.

(ii) The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a material adverse effect on its financial position. Also, the Company does not expect any reimbursement in respect of the above contingent liabilities.

() Subsequently, Company has paid ₹65 lakhs under protest against the Income tax demand of ₹321 lakhs for the assessment year 2018-19, which is included in the above shown contingent liability.*

(b) Bank Guarantee	-	20
Note - Bank Guarantee is issued to meet certain business obligations towards govt agencies		
(c) Corporate Guarantee outstanding	376	3,933
Note - Corporate guarantee given to Subsidiary companies.		

(d) There has been a Supreme Court (SC) judgement dated February 28, 2019, relating to components of salary structure that needs to be taken into account while computing the contribution to provident fund under the EPF Act. There are interpretative aspects related to the Judgement including the effective date of application. During the current year ended March 31, 2021, Company is in compliance with same. The Company will continue to assess any further developments in this matter for the implications on financial statements, if any. Further, pending decision on the subject review petition and directions from the EPFO, the impact for the past period, if any, was not ascertainable and consequently no effect was given in the accounts.

(e) Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post employment has been notified in the official Gazette on September 29, 2020 and its effective date is yet to be notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the year the Code becomes effective.

(f) Income Tax:

i) The Company has filed an application under The Direct Tax Vivad se Vishwas Act, 2020 ('the Scheme') related to Assessment year 2013-14. The income tax department accepted the companies' application with tax liability of ₹1,332 Lakhs under MAT provisions and necessary provision has been made in accounts during the year. This results in reduction of contingent liability by ₹2,111 Lakhs and there is no cash out flow on this matter as refund pertaining to earlier years has been adjusted by the department.

Notes to Financial Statements

for the Year ended March 31, 2021

- ii) On a critical and objective reappraisal of the income tax demands for various years under appeal, the company based on expert legal opinion from a law firm, decided to take advantage under "The Direct Tax Vivad se Vishwas Act, 2020 (the scheme)". The company estimated that if an application is made and accepted by income tax department the cash out flow would be ₹3,535 Lakhs and the same was provided in books in FY - 2019-20. Subsequently the Department accepted the applications of the company and the tax liability was assessed at ₹3,257 lakhs. Hence, the excess provision of ₹278 lakhs was reversed during the year and the company also discharged the liability of ₹1,000 lakhs against the liability provided under VsV Scheme. The following amounts are due which has to be paid by 30/06/2021 without any additional payment. The following amounts are to be paid by 30/06/2021.

Assessment Year	Appeal	Tax payable under Vivad se Vishwas (₹ In Lakhs)
2009-10	Department's appeal before Income Tax Appellate Tribunal	408
2012-13	Department's appeal before Income Tax Appellate Tribunal	1672
2015-16	Taxpayer's appeal before Commissioner of Income Tax	177
Total cash outflow		2257

(II) Contingent Assets

	(₹ In Lakhs)	
	As at March 31, 2021	As at March 31, 2020
Additional consideration on the disposal of investment in Brown Tape Technology Pvt Ltd*	56	-
	56	-

(* In respect of the disposal of investment in Brown Tape Technology Private Limited during the current financial year (Refer Note 29), additional consideration will be payable to the company if the future performance of Brown Tape Technology reaches to a specified revenue level. Recognition of additional consideration which is not virtually certain, is dependent on the aggregate specified revenue of Brown Tape Technology for the 18-months period ending July 2022.

39. Leases

- (a) The Company has lease contracts for certain items of Land & Buildings. The Company's obligations under leases are secured by the lessor's title to the leased assets.

(b) Movement in lease liabilities during the year ended March 31, 2021

	(₹ In Lakhs)	
	As at March 31, 2021	As at March 31, 2020
Lease liabilities at the beginning of the year	77	-
Additions	-	107
Deletions	(18)	-
Interest cost accrued during the year	7	13
Payment of lease liabilities	(19)	(43)
Lease liabilities at the end of the year	47	77

(c) Amount recognized in Profit or Loss

	(₹ In Lakhs)	
	As at March 31, 2021	As at March 31, 2020
Interest expense on lease liabilities	7	13
Depreciation expense of right-of-use assets	25	47
Expense relating to short term leases (included in other expenses)	20	133
	52	193

(d) Amounts recognised in the statement of cash flow

	19	43
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for the Year ended March 31, 2021

(e) Future payment of lease liabilities on an undiscounted basis

	(₹ In Lakhs)	
	As at March 31, 2021	As at March 31, 2020
Not later than one year	20	39
Later than one year but not later than five years	37	59
Later than five years	-	-
Total	57	98
Current lease liabilities	15	30
Non-current lease liabilities	32	47
Total Lease liabilities	47	77

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

40. Disclosure as required under Ind AS 19 on Employee Benefits:

	(₹ In Lakhs)	
	As at March 31, 2021	As at March 31, 2020
Statement of Assets and Liabilities for defined benefit obligation		
Defined benefit asset - Gratuity Plan	132	148
Defined benefit obligation - Gratuity Plan	38	113
Net employee benefit (liabilities) / Asset	94	35

Defined contribution

The expense for defined contribution plans amounted to ₹66 Lakhs and ₹144 Lakhs for the year ended March 31, 2021 and March 31, 2020 respectively. Out of these, ₹20 Lakhs (31 March 2020 ₹122 Lakhs) pertains to provident / pension funds and ₹(33) Lakhs (March 31, 2020 ₹2 Lakhs) pertains to superannuation fund plan.

Defined benefits - Gratuity

The Company provides gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/ termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a funded plan and the company makes contributions to recognised funds in India.

These defined benefit plans expose the Company to actuarial risks, such as currency risk, interest risk and market (investment) risk.

The Company expects not to contribute to Gratuity Fund in the next year, as the company has surplus balance.

Inherent risk

The plan is defined benefit in nature which is sponsored by the Company and hence it underwrites all the risk pertaining to the plan. In particular, this exposes the Company, to actuarial risk such as adverse salary growth, change in demographic experience, inadequate return on underlying plan assets. This may result in an increase in cost of providing these benefits to employees in future. Since the benefits are lump sum in nature, the plan is not subject to longevity risk.

Notes to Financial Statements

for the Year ended March 31, 2021

The following tables analyse present value of defined benefit obligations, expense recognised in Statement of Profit and Loss, actuarial assumptions and other information.

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

(₹ In Lakhs)

	As at March 31, 2021	As at March 31, 2020
(I) Reconciliation of present value of defined benefit obligation		
(a) Balance at the beginning of the year	113	130
(b) Current service cost	14	13
(c) Interest cost	7	10
(d) Benefits paid	(25)	(11)
(e) Actuarial (gains)/ losses recognised in other comprehensive income	-	-
change in demographic assumptions	2	-
change in financial assumptions	3	6
experience adjustments	(76)	(35)
Balance at the end of the year	38	113
(II) Reconciliation of present value of plan assets		
(a) Balance at the beginning of the year	148	192
(b) Investment Income	10	14
(c) Return on plan assets, excluding amount recognised in net interest expense	(1)	(3)
(d) Contributions by the employer	-	75
(e) Benefits paid	(25)	(11)
(f) Fund Transfer adjustment	-	(119)
Balance at the end of the year	132	148
(III) Net asset/ (liability) recognised in the Balance Sheet		
(a) Present value of defined benefit obligation	(38)	(113)
(b) Fair value of plan assets	132	148
Net defined benefit Asset/(obligations) in the Balance Sheet	94	35
(IV) Expense recognised in Statement of Profit or Loss		
(a) Current service cost	14	13
(b) Past Service Cost	-	-
(c) Interest Income (Net)	(3)	(5)
Amount charged to Profit or Loss	11	8
(V) Remeasurements recognised in Other Comprehensive Income		
(a) Actuarial gain / (loss) on defined benefit obligation	72	28
(b) Return on plan asset excluding interest income	(1)	(3)
Amount recognised in Other Comprehensive Income	71	25
(VI) Plan assets		
Plan assets comprise of the following:		
(a) Investments with LIC	100%	100%
(VII) Actuarial assumptions		
Principal actuarial assumptions at the reporting date (expressed as weighted averages)		
(a) Discount rate	5.52%	6.50%
(b) Future salary growth	6%	4%
(c) Retirement age (years)	58	58
(d) Withdrawal rates	25%	9%
(e) Mortality rate (% of IALM 2012-14)	100%	100%

Notes to Financial Statements

for the Year ended March 31, 2021

(IX) Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligations by the amounts shown below:

(₹ In Lakhs)

	As at March 31, 2021		As at March 31, 2020	
	Increase	Decrease	Increase	Decrease
(a) Discount rate (1% movement)	(1)	1	(7)	7
(b) Future salary growth (1% movement)	1	(1)	7	(6)
(c) Withdrawal assumption (1% movement)	0	0	1	(1)

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions as shown.

(₹ In Lakhs)

Expected cash flows over the next (Valued on undiscounted cash flows)	As at March 31, 2021	As at March 31, 2020
1 year	9	16
2 to 5 years	25	57
6 to 10 years	9	53
More than 10 years	2	56

The company expects to contribute ₹9 Lakhs to the fund during the subsequent year

41. Due to Micro enterprises and small enterprises

(₹ In Lakhs)

	As at March 31, 2021	As at March 31, 2020
(i) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of the accounting year:	-	-
Principal amount due to micro and small enterprises	-	-
Interest due on above	-	-
Total	-	-
(ii) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during the accounting year	-	-
(iii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006.	-	-
(iv) The amount of interest accrued and remaining unpaid at the end of the accounting year.	-	-
(v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. There are no dues unpaid to Micro and Small Enterprises as on March 31, 2021.

42. Dividend

(₹ In Lakhs)

	As at March 31, 2021	As at March 31, 2020
Dividend on equity shares paid during the year including Tax	-	892
Final Dividend for the FY 2020-21 [Nil (Previous year ₹ 0.80) per equity share of ₹ 2 each]	-	892

Proposed Dividend:

No Dividend has been proposed with the objective to conserve cash to be deployed for business post Covid -19

Notes to Financial Statements

for the Year ended March 31, 2021

43. Financial instruments - fair values and risk management

A. Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities as at March 31, 2021, including their levels in the fair value hierarchy.

(₹ in Lakhs)

Particulars	Carrying amount				Fair value				
	FVTPL	FVOCI	Other financial assets - amortised cost	Other financial liabilities - amortised cost	Total carrying amount	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value									
Investment in Mutual funds	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
Financial assets not measured at fair value									
Loans	-	-	797	-	797	-	-	-	-
Trade receivables	-	-	837	-	837	-	-	-	-
Cash and cash equivalents	-	-	1,021	-	1,021	-	-	-	-
Other bank balances	-	-	289	-	289	-	-	-	-
Other financial assets	-	-	227	-	227	-	-	-	-
	-	-	3,171	-	3,171	-	-	-	-
Financial liabilities not measured at fair value									
Borrowings	-	-	-	2,006	2,006	-	-	-	-
Trade payables	-	-	-	365	365	-	-	-	-
Other financial liabilities	-	-	-	4,257	4,257	-	-	-	-
Lease Liabilities	-	-	-	47	47	-	-	-	-
	-	-	-	6,675	6,675	-	-	-	-

The following table shows the carrying amounts and fair values of financial assets and financial liabilities as at March 31, 2020, including their levels in the fair value hierarchy.

(₹ in Lakhs)

Particulars	Carrying amount				Fair value				
	FVTPL	FVOCI	Other financial assets - amortised cost	Other financial liabilities - amortised cost	Total carrying amount	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value									
Investment in Mutual funds	7,782	-	-	-	7,782	7,782	-	-	7,782
	7,782	-	-	-	7,782	7,782	-	-	7,782
Financial assets not measured at fair value									
Loans	-	-	1,813	-	1,813	-	-	-	-
Trade receivables	-	-	2,122	-	2,122	-	-	-	-
Cash and cash equivalents	-	-	1,028	-	1,028	-	-	-	-
Other bank balances	-	-	554	-	554	-	-	-	-
Other financial assets	-	-	2,704	-	2,704	-	-	-	-
	-	-	8,222	-	8,222	-	-	-	-
Financial liabilities not measured at fair value									
Borrowings	-	-	-	10,351	10,351	-	-	-	-
Trade payables	-	-	-	4,548	4,548	-	-	-	-
Other financial liabilities	-	-	-	4,699	4,699	-	-	-	-
Lease liabilities	-	-	-	78	78	-	-	-	-
	-	-	-	19,676	19,676	-	-	-	-

Notes to Financial Statements

for the Year ended March 31, 2021

B. Measurement of fair values

i. Valuation techniques and significant unobservable inputs

The fair value of cash and cash equivalents, bank balances, trade receivables, loans, investments in Debt instrument, borrowings, lease liabilities, trade payables and other financial assets and liabilities approximate their carrying amount largely due to the short-term nature of these instruments. The Company's loans have been contracted at market rates of interest. Accordingly, the carrying value of such loans approximate fair value.

During the previous year, Investments in equity instruments, which are classified as FVOCI are based on market price at the respective reporting date.

ii. Level 1 fair values

The following table shows a reconciliation from the opening balance to the closing balance for Level 1 fair values.

Particulars	(₹ in Lakhs)
	FVOCI Equity instruments
Balance at March 31, 2019	240
Current Investments during the year	7,720
Net Gain on investments measured at FVTPL	62
Equity Investments through other comprehensive income	(77)
Sale proceeds-Non current Investments	(163)
Balance at March 31, 2020	7,782
Balance at March 31, 2020	7,782
Current Investments during the year	-
Net Gain on investments measured at FVTPL	80
Equity Investments through other comprehensive income	-
Sale proceeds-Non current Investments	(7,862)
Balance at March 31, 2021	-

C. Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- (i) Credit risk
- (ii) Liquidity risk
- (iii) Market risk

Risk management framework

The Company's principal financial liabilities includes borrowings, Lease liabilities, trade payable and other financial liabilities. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include Loans, trade receivables, cash and cash equivalents and other financial assets that derive directly from its operations.

The Company's activities expose it to credit risk, liquidity risk and market risk. The Company's primary risk management focus is to minimise potential adverse effects of market risk on its financial performance. The Company's exposure to credit risk is influenced mainly by the individual characteristic of each customer and the concentration of risk from the top few customers. The Company's risk management assessment and policies and processes are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor such risks and compliance with the same. Risk assessment and management policies and processes are reviewed regularly to reflect changes in market conditions and the Company's activities.

(i) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and loans given. Credit risk arises from cash held with banks and financial institutions, as well as credit exposure to customers, including outstanding accounts receivables. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective

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for the Year ended March 31, 2021

of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

Trade receivables and loans

As per simplified approach, the Company makes provision of expected credit losses on trade receivables using a provision matrix to mitigate the risk of default payments and makes appropriate provisions at each reporting date whenever is for longer period and involves higher risk.

The movement of Trade Receivables and Expected Credit Loss are as follows :

Particulars	(₹ In Lakhs)	
	As at March 31, 2021	As at March 31, 2020
Trade Receivables (Gross)	2,011	3,154
Less: Expected Credit Loss	(1,174)	(1,032)
Trade Receivables (Net)	837	2,122

(₹ in Lakhs)	
Reconciliation of Loss allowance (Trade Receivables)	Amount
Loss Allowance on March 31, 2019	876
Change in Loss allowance	156
Loss Allowance in March 31, 2020	1,032
Change in Loss allowance	142
Loss Allowance in March 31, 2021	1,174

The movement of Loans and Expected Credit Loss are as follows :

Particulars	(₹ In Lakhs)	
	As at March 31, 2021	As at March 31, 2020
Loans	2,202	182
Less: Expected Credit Loss	1,405	164
Loans (net)	797	18

(₹ in Lakhs)	
Reconciliation of Loss allowance (Loans)	Amount
Loss Allowance on March 31, 2019	164
Change in Loss allowance	-
Loss Allowance in March 31, 2020	164
Change in Loss allowance	1,241
Loss Allowance in March 31, 2021	1,405

The movement of Advances and Expected Credit Loss are as follows :

Particulars	(₹ In Lakhs)	
	As at March 31, 2021	As at March 31, 2020
Other Advances receivable	2,537	2,750
Less: Expected Credit Loss	2,319	60
Loans (net)	218	2,690

(₹ in Lakhs)	
Reconciliation of Loss allowance (Loans)	Amount
Loss Allowance on March 31, 2019	60
Change in Loss allowance	-
Loss Allowance in March 31, 2020	60
Change in Loss allowance	2,259
Loss Allowance in March 31, 2021	2,319

Notes to Financial Statements

for the Year ended March 31, 2021

(ii) Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at reasonable price. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of credit facilities to meet obligations when due. The Company's finance team is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's liquidity position through rolling forecasts on the basis of expected cash flows. Besides, it generally has certain undrawn credit facilities which can be accessed as and when required ; such credit facilities are reviewed at regular intervals. Thus, no liquidity risk is perceived at present.

The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

(₹ In Lakhs)

March 31, 2021	Contractual cash flows				
	Carrying amount	Total	Less than 1 year	1 to 5 years	More than 5 years
Borrowings	2,006	2,006	746	1,260	-
Lease Liabilities	47	57	20	37	-
Trade payables	365	365	365	-	-
Other financial liabilities	4,257	4,257	4,257	-	-
	6,675	6,685	5,388	1,297	-

(₹ In Lakhs)

March 31, 2020	Contractual cash flows				
	Carrying amount	Total	Less than 1 year	1 to 5 years	More than 5 years
Borrowings	10,351	10,351	5,751	4,600	-
Lease Liabilities	77	98	39	59	-
Trade payables	4,548	4,548	4,548	-	-
Other financial liabilities	4,699	4,767	4,699	68	-
	19,675	19,764	15,037	4,727	-

(iii) Floating exchange rate and Interest risk:

Floating exchange rate

Floating exchange rate with reference to Market risk is the risk that changes in market prices - such as foreign exchange rates and interest rates - will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The total unhedged foreign currency exposure at the year end towards Trade Receivable & Trade Payable is ₹24 Lakhs (Previous year ₹155 Lakhs) and ₹59 Lakhs (Previous Year ₹188 Lakhs) respectively. The Company does not have significant foreign currency exposure and hence, is not exposed to any significant foreign currency risk.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company exposure to the risk of changes in market interest rates relates primarily to the Company's long term and short term borrowing with floating interest rates. The Company constantly monitors the credit markets and rebalances its financing strategies to achieve an optimal maturity profile and financing cost.

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for the Year ended March 31, 2021

The interest rate profile of the Company's interest bearing financial instruments at the end of the reporting period are as follows:

Particulars	(₹ In Lakhs)	
	As at March 31, 2021	As at March 31, 2020
Fixed rate instruments		
Financial assets		
Financial liabilities		
Vehicle Loans	30	73
Term Loans	388	1,389
Deposits from Public	663	1,268
Lease Liabilities	47	77
	1,128	2,807
Variable rate instruments		
Financial assets		
Financial liabilities		
Cash Credit	-	2,104
Term Loans	926	5,518
	926	7,622
	2,054	10,429

Sensitivity analysis

Fixed rate instruments that are carried at amortised cost are not subject to interest rate risk for the purpose of sensitive analysis.

A reasonably possible change of 100 basis points in variable rate instruments at the reporting dates would have increased or decreased profit or loss by the amounts shown below:

Particulars	(₹ In Lakhs)			
	Effect on Profit before tax		Effect on total equity	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Variable rate instruments - decrease by 100 basis points	9.26	76.22	9.26	76.22
Variable rate instruments - increase by 100 basis points	(9.26)	(76.22)	(9.26)	(76.22)

The sensitivity analysis above has been determined for borrowings assuming the amount of borrowings outstanding at the end of the reporting period was outstanding for the whole year.

Equity risk

The Company's quoted equity instruments are susceptible to market price risk arising from uncertainties about future values of the investment securities. The reports on the equity portfolio are submitted to the Company's senior management on a regular basis. The senior management reviews and approves all equity investment decisions.

Sensitivity analysis

Investment in equity instruments of the Company are listed on the Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) in India. The table below summaries the impact of increase/decrease of the Nifty 50 index on the Company's equity and profit for the period. The analysis is based on the assumption that the NSE nifty 50 equity index had increased/decreased by 10% with all other variables held constant, and that all the Company's equity instruments moved in line with the index.

Particulars	(₹ In Lakhs)			
	Effect on Profit before tax		Effect on total equity	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
NSE Nifty 50 - increase by 10% (March 31, 2020: 10%)	-	778	-	778
NSE Nifty 50 - decrease by 10% (March 31, 2020: 10%)	-	(778)	-	(778)

Notes to Financial Statements

for the Year ended March 31, 2021

44. Capital management

The Company's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investors, creditors and market confidence and to sustain future development and growth of its business. In order to maintain the capital structure the Company monitors the return on capital, as well as the level of dividends to equity shareholders. The Company aims to manage its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to all its shareholders. For the purpose of the Company's capital management, capital includes issued capital and all other equity reserves attributable to the equity holders and debt includes borrowings and lease liabilities.

The company monitors capital on the basis of the following Gearing ratio:

Particulars	(₹ In Lakhs)	
	As at March 31, 2021	As at March 31, 2020
Borrowings (Including Current maturities)	2,006	10,351
Less: Cash and Cash Equivalents	(1,021)	(1,028)
Less: Bank balance other than Cash and Cash Equivalents	(289)	(554)
Less: Current Investments	-	(7,782)
Net debt	696	987
Total Equity	62,446	80,007
Gearing ratio	0.01	0.01

45. Segment Information

A Basis for segmentation

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available. All operating segments' operating results are reviewed regularly by the Company's Chief Operating Decision Maker (CODM) to make decisions about resources to be allocated to the segments and assess their performance.

The Company has two reportable segments, as described below, which is the Company's primary business segment. These business units are managed separately because they require different marketing strategies. For these business the Company's CODM (designation of the person who reviews) reviews internal management reports at quarterly basis.

Reportable segments - Operations

Express Distribution - Covers integrated E-commerce cargo logistics

Fuel Stations - Covers fuel stations dealing in petrol, diesel and lubricants, etc.

B Information about reportable segments

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit (before tax), as included in the internal management reports that are reviewed by the Company's CODM. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segment pricing is determined on an arm's length basis.

Summary of Segment Information as at and for the year ended March 31, 2021 and March 31, 2020 is as follows:

Particulars	(₹ In Lakhs)	
	Year ended March 31, 2021	Year ended March 31, 2020
1. Segment Revenue (Net Sales / Income from each Segment)		
a) Express Distribution	2,965	15,007
b) Fuel Stations	24,480	27,507
Total	27,445	42,514
Less: Inter Segment Revenue	-	-
Net Sales / Income from Operations	27,445	42,514

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for the Year ended March 31, 2021

Particulars	(₹ In Lakhs)	
	Year ended March 31, 2021	Year ended March 31, 2020
2. Segment Results (Profit (+) / Loss (-) before tax and interest from each Segment)		
a) Express Distribution	(494)	(1,551)
Less - Exceptional Items	(16,001)	-
b) Fuel Stations	586	655
Total	(15,909)	(896)
Less: Finance Cost	(669)	(1,255)
Less: Exceptional Items	-	-
Profit before tax	(16,578)	(2,151)
Less: Tax Expenses	1,053	3,630
Profit after tax as per statement of profit an loss	(17,631)	(5,781)

Particulars	(₹ In Lakhs)	
	Year ended March 31, 2021	Year ended March 31, 2020
3. Segment Assets		
a) Express Distribution	6,422	33,872
b) Fuel Stations	1,540	1,658
d) Unallocated	63,483	67,830
Total Assets	71,445	1,03,360
Segment Liabilities		
a) Express Distribution	2,078	6,697
b) Fuel Stations	64	46
c) Unallocated	6,857	16,610
Total Liabilities	8,999	23,353
Capital Employed	62,446	80,007

Particulars	(₹ In Lakhs)	
	Year ended March 31, 2021	Year ended March 31, 2020
4. Depreciation and amortisation Expenses		
a) Express Distribution	175	357
b) Fuel Stations	13	11
Total	188	368

Particulars	(₹ In Lakhs)	
	Year ended March 31, 2021	Year ended March 31, 2020
5. Significant Non- cash Expenditure		
a) Express Distribution	16,424	1,165
b) Fuel Stations	-	-
Total	16,424	1,165

Particulars	(₹ In Lakhs)	
	Year ended March 31, 2021	Year ended March 31, 2020
6. Capital Expenditure		
a) Express Distribution	14	100
b) Fuel Stations	-	33
Total	14	133

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for the Year ended March 31, 2021

C Geographical information

The Company at present, operates in India only and therefore the analysis of geographical segments is not applicable to the Company.

Particulars	(₹ In Lakhs)	
	Year ended March 31, 2021	Year ended March 31, 2020
1. Revenue from External Customers		
a) India	27,445	42,514
b) International	-	-
Total	27,445	42,514

Particulars	(₹ In Lakhs)	
	Year ended March 31, 2021	Year ended March 31, 2020
2. Segment Non Current assets *		
a) India	4,305	25,802
b) International	-	-
Total	4,305	25,802

* Non current asset are excluding Investments, Non current tax assets, Deferred Tax asset.

46. Earnings per Share

	(₹ In Lakhs)	
	Year ended March 31, 2021	Year ended March 31, 2020
Profit/(loss) for the year (₹ Lakhs)	(17,632)	(5,781)
Weighted average number of shares (Nos.)	12,19,45,977	11,11,79,319
Diluted average number of shares (Nos.)	12,19,45,977	11,12,90,319
Basic Earnings Per Share (In ₹)	(14.46)	(5.20)
Diluted Earnings Per Share (In ₹)	(14.46)	(5.19)
Nominal value of shares outstanding (In ₹)	2.00	2.00

47. Related party disclosure

A. Names of related parties and related party relationship for Preiod ended 31st March, 2021

- i) Holding Company** 1. Allcargo Logistics Limited
- ii) List of Directors & Key managerial personnel**
- Mr Shashi Kiran Shetty – Chairman and Managing Director (Appointed as a Chairman w.e.f. July 24, 2020 and Managing Director w.e.f. November 04, 2020)
 - Mr Mahendra Agarwal – Founder & CEO (Resigned w.e.f. September 28, 2020)
 - Mr N Srinivasan – Director (Resigned w.e.f. Januauy 01, 2021)
 - Mr P N Shukla – Director
 - Mr Yasuhiro Kaneda – Director
 - Mr Kaiwan Kalayaniwalla – Director
 - Ms. Cynthia D'Souza – Director (Appointed w.e.f. July 03, 2020)
 - Mr. Dinesh Kumar Lal – Director (Appointed w.e.f. July 03, 2020)
 - Mr. Mohinder Pal Bansal – Director (Appointed w.e.f. July 03, 2020 and resigned on 4th March 2021)
 - Nilesh Shivji Vikamsey – Director (Appointed w.e.f. February 05, 2021)
 - Ms Savita Date Menon – Director (Resigned w.e.f. October 12, 2020)
 - Mr K L Chugh – Chairman (Resigned w.e.f. July 24, 2020)
 - Mr. Adarsh Hegde – Director- (Appointed - July 3,2020-Resigned October 5, 2020)
 - Mr. Jatin Chokshi – Director (Appointed w.e.f. July 03, 2020 & Resigned w.e.f. October 05, 2020)
 - Dr P S Reddy – Director (Resigned w.e.f. July 08, 2020)
 - Ms. T S Maharani – Company Secretary, Chief Investor Relations & Compliance Officer
 - Mr Rohan Mittal – Chief Financial Officer (Appointed w.e.f. October 09, 2020)
 - Mr Peter H Jayakumar – Chief Financial Officer (Resigned w.e.f. October 09, 2020)

Notes to Financial Statements

for the Year ended March 31, 2021

- iii) Entities in which key managerial personnel and their relatives having significant influence**
1. TCI Finance Ltd.(*)
 2. TCI Hi-ways Pvt. Ltd. (*)
 3. Amrit Jal Ventures Private Ltd.(*)
 4. Gati Academy (*)
 5. Gati Infrastructure Sada Mangdar Power Pvt. Ltd. (*)
 6. Jaldi Traders & Commerce House Pvt. Ltd.(*)
 7. P D Agarwal Foundation (*)
 8. Gati Infrastructure Private Limited (*)
 9. Giri Roadlines and Commercial Trading Pvt Ltd (*)
 10. M/s Maneskha & Sethna
- iv) Subsidiaries & Step down Subsidiaries**
1. Gati Asia Pacific Pte Ltd. (**)
 2. Gati Hong Kong Ltd (**)
 3. Gati Cargo Express (Shanghai) Co. Ltd. (**)
 4. Gati Kausar India Ltd.
 5. Gati Import Export trading Ltd.
 6. Zen Cargo Movers Pvt. Ltd.
 7. Gati Kintetsu Express Pvt. Ltd.
 8. Gati Logistics Parks Private Ltd.
 9. Gati Projects Private Ltd.
- v) Fellow Subsidiaries**
1. Gati Asia Pacific Pte Ltd.
 2. Gati Hong Kong Ltd
 3. Gati Cargo Express (Shanghai) Co. Ltd.
- vi) Associate**
1. Gati Ship Ltd.

(*) Ceased to qualify as a related party with effect from September 28, 2020

(**) Ceased to be Subsidiary with effect from August 16, 2020 and became fellow subsidiary to Allcargo logistics Limited

B. Summary of the transactions with related parties for the year ended 31st March 2021:

(₹ In Lakhs)

SL. No	Nature of Transaction	Key Managerial Personnel & Relatives		Entities in which Significant influence exists		Holding, Subsidiaries, step down Subsidiaries & Fellow Subsidiaries		Total	
		FY 2020-21	FY 2019-20	FY 2020-21	FY 2019-20	FY 2020-21	FY 2019-20	FY 2020-21	FY 2019-20
a)	EXPENDITURE								
	Freight and Other Charges								
	Gati Cargo Express (Shanghai) Co Ltd.	-	-	-	-	3	71	3	71
	Zen Cargo Movers Private Ltd	-	-	-	-	1	10	1	10
	Gati Kintetsu Express Private Ltd	-	-	-	-	1,197	5,229	1,197	5,229
	Allcargo Logistics Limited	-	-	-	-	2	-	2	-
	Remuneration								
	Rohan Mittal	43	-	-	-	-	-	43	-
	Ms T S Maharani	27	19	-	-	-	-	27	19
	Directors Sitting Fee								
	Mr K L Chugh	1	6	-	-	-	-	1	6
	Mr N Srinivasan	3	7	-	-	-	-	3	7
	Mr P N Shukla	3	6	-	-	-	-	3	6
	Dr P S Reddy	0	1	-	-	-	-	0	1
	Ms Sheela Bhide	-	1	-	-	-	-	-	1
	Mr Sunil Kumar Alagh	-	4	-	-	-	-	-	4
	Ms Savita Date Menon	2	3	-	-	-	-	2	3

Notes to Financial Statements

for the Year ended March 31, 2021

(₹ In Lakhs)

SL. No	Nature of Transaction	Key Managerial Personnel & Relatives		Entities in which Significant influence exists		Holding, Subsidiaries, step down Subsidiaries & Fellow Subsidiaries		Total	
		FY 2020-21	FY 2019-20	FY 2020-21	FY 2019-20	FY 2020-21	FY 2019-20	FY 2020-21	FY 2019-20
	Mr Sushil Kumar Jiwarajka	-	3	-	-	-	-	-	3
	Ms. Cynthia D'Souza	3	-	-	-	-	-	3	-
	Mr. Dinesh Kumar Lal	3	-	-	-	-	-	3	-
	Mr. Mohinder Pal Bansal	2	-	-	-	-	-	2	-
	Mr. Nilesh Shivji Vikamsey	1	-	-	-	-	-	1	-
	Management Fee								
	Gati Kintetsu Express Private Ltd	-	-	-	-	153	433	153	433
	Allcargo Logistics Limited	-	-	-	-	27	-	27	-
	Maintenance Expenses								
	Gati Kintetsu Express Private Ltd	-	-	-	-	1	-	1	-
	Manpower Expenses								
	Gati Academy	-	-	51	242	-	-	51	242
	Legal and Professional Expenses								
	M/s Maneskha & Sethna	-	-	5	-	-	-	5	-
	Rent Expenses								
	P D Agarwal Foundation	-	-	4	2	-	-	4	2
	Investment provided								
	Gati Asia Pacifi Pte Ltd	-	-	-	-	-	760	-	760
	Interest Expenses								
	Allcargo Logistics Limited	-	-	-	-	86	-	86	-
b)	INCOME								
	Freight and Other Charges								
	Gati Cargo Express (Shanghai) Co Ltd.	-	-	-	-	27	559	27	559
	Gati Kintetsu Express Private Ltd	-	-	-	-	-	128	-	128
	Rent								
	Gati Academy	-	-	-	4	-	-	-	4
	TCI Finance Limited	-	-	-	2	-	-	-	2
	TCI Hi-Ways Pvt Ltd	-	-	0	1	-	-	0	1
	Gati Kintetsu Express Private Ltd	-	-	-	-	459	445	459	445
	Gati Import Export Trading Limited	-	-	-	-	3	6	3	6
	Gati Logistics Parks Private Limited	-	-	-	-	0	-	0	-
	Gati Projects Private Limited	-	-	-	-	0	-	0	-
	Gati Kausar India Ltd.	-	-	-	-	0	-	0	-
	Management Fee								
	Gati Kintetsu Express Private Ltd	-	-	-	-	150	143	150	143
	Gati Kausar India Ltd.	-	-	-	-	5	5	5	5
	Gati Import Export Trading Limited	-	-	-	-	3	13	3	13
	Dividend Income								
	Gati Kintetsu Express Private Ltd	-	-	-	-	-	756	-	756
	Fuel Sales income								
	Gati Kintetsu Express Private Ltd	-	-	-	-	-	1	-	1
	ESOS Expense Reimbursement								
	Gati Kintetsu Express Private Ltd	-	-	-	-	-	18	-	18
c)	Sale of Investment/Property								
	Giri Roadlines & Commercial Trading Pvt Ltd	-	-	-	122	-	-	-	122
	P D Agarwal Foundation	-	-	-	625	-	-	-	625

Note - "0" represents amounts less than ₹ 1 lac.

Notes to Financial Statements

for the Year ended March 31, 2021

(₹ In Lakhs)

SL. No	Nature of Transaction	Key Managerial Personnel & Relatives		Entities in which Significant influence exists		Holding, Subsidiaries, step down Subsidiaries & Fellow Subsidiaries		Total	
		As at 31 st March 2021	As at 31 st March 2020	As at 31 st March 2021	As at 31 st March 2020	As at 31 st March 2021	As at 31 st March 2020	As at 31 st March 2021	As at 31 st March 2020
d)	Investments - Equity								
	Gati Asia Pacific Pte Ltd	-	-	-	-	-	3,510	-	3,510
	Gati Asia Pacific Pte Ltd - Provision	-	-	-	-	-	(3,510)	-	(3,510)
	Gati Kausar India Ltd.	-	-	-	-	4,014	4,014	4,014	4,014
	Gati Kausar India Ltd. - Impairment	-	-	-	-	(4,014)	(4,014)	(4,014)	(4,014)
	Gati Import Export Trading Limited	-	-	-	-	230	230	230	230
	Gati Import Export Trading Limited - Provision	-	-	-	-	(120)	-	(120)	-
	Zen Cargo Movers Private Ltd	-	-	-	-	36	36	36	36
	Zen Cargo Movers Private Ltd -Provision	-	-	-	-	(36)	(36)	(36)	(36)
	Gati Kintetsu Express Private Ltd	-	-	-	-	55,100	55,100	55,100	55,100
	Gati Logistic Parks Private Limited	-	-	-	-	1	910	1	910
	Gati Projects Private Limited	-	-	-	-	1	1	1	1
e)	Trade Receivable								
	Gati Cargo Express (Shanghai) Co Ltd.	-	-	-	-	21	147	21	147
	Gati Import Export Trading Limited	-	-	-	-	-	0	-	0
f)	Other Receivable								
	Amrit Jal Ventures Private Ltd	-	-	-	1,768	-	-	-	1,768
	Provision Interest Receivable Amritjal	-	-	-	(1,768)	-	-	-	(1,768)
	Gati Infrastructure Sada Mangder Private Ltd	-	-	-	389	-	-	-	389
	Provision Interest Receivable- Gati Infrastructue Sada Mangder Pvt Ltd	-	-	-	(389)	-	-	-	(389)
	TCI Hi-Ways Pvt Ltd	-	-	-	0	-	-	-	0
	TCI Finance Ltd	-	-	-	9	-	-	-	9
	Gati Kintetsu Express Private Ltd	-	-	-	-	80	278	80	278
	Gati Import Export Trading Limited	-	-	-	-	42	20	42	20
	Gati Kausar India Ltd.	-	-	-	-	25	19	25	19
	Zen Cargo Movers Private Ltd	-	-	-	-	22	22	22	22
	Gati Logistic Parks Private Limited	-	-	-	-	0	-	0	-
	Gati Projects Private Limited	-	-	-	-	0	-	0	-
	Allcargo Logistics Limited	-	-	-	-	0	-	0	-
g)	Loans & Advances - Given								
	Jaldi Traders & Commerce House Private Ltd	-	-	-	570	-	-	-	570
	TCI Hi-Ways Pvt Ltd	-	-	-	1,279	-	-	-	1,279
	Gati Logistic Parks Private Limited	-	-	-	-	2,001	1,790	2,001	1,790
	Gati Logistic Parks Private Limited - Provision	-	-	-	-	(1,242)	-	(1,242)	-
	Gati Projects Private Limited	-	-	-	-	2	2	2	2
h)	Trade Payable								
	Gati Cargo Express (Shanghai) Co Ltd.	-	-	-	-	18	66	18	66
	Zen Cargo Movers Private Ltd	-	-	-	-	15	14	15	14
	Gati Kintetsu Express Private Ltd	-	-	-	-	77	4,052	77	4,052

Notes to Financial Statements

for the Year ended March 31, 2021

(₹ In Lakhs)

SL. No	Nature of Transaction	Key Managerial Personnel & Relatives		Entities in which Significant influence exists		Holding, Subsidiaries, step down Subsidiaries & Fellow Subsidiaries		Total	
		As at 31 st March 2021	As at 31 st March 2020	As at 31 st March 2021	As at 31 st March 2020	As at 31 st March 2021	As at 31 st March 2020	As at 31 st March 2021	As at 31 st March 2020
i)	Other Payables								
	Gati Kintetsu Express Private Ltd	-	-	-	-	101	379	101	379
	Gati Academy	-	-	-	2	-	-	-	2
	Gati Kausar India Limited	-	-	-	-	4	4	4	4
	P D Agarwal Foundation	-	-	-	2	-	-	-	2
	Allcargo Logistics Limited	-	-	-	-	0	-	0	-
j)	Deposit and Advance (Taken)								
	Gati Kintetsu Express Private Ltd	-	-	-	-	575	719	575	719
k)	Investment held for sale								
	Gati Ship Limited	8,623	8,623	-	-	-	-	8,623	8,623
	Gati Ship Limited Provision	(8,623)	(8,623)	-	-	-	-	(8,623)	(8,623)
	Amrit Jal Ventures Private Ltd - OCD's	-	-	-	3,457	-	-	-	3,457
	Amrit Jal Ventures Private Ltd - OCD's Impairment	-	-	-	(3,457)	-	-	-	(3,457)
	Gati Infrastructure Sada Mangder Private Ltd - OCD's	-	-	-	993	-	-	-	993
	Gati Infrastructure Sada Mangder Private Ltd - Impairment	-	-	-	(993)	-	-	-	(993)
l)	Corporate Guarantees given								
	Gati Kintetsu Express Private Ltd	-	-	-	-	125	3,150	125	3,150
	Gati Infrastructure Private Limited	-	-	-	2,360	-	-	-	2,360
	Gati Infrastructure Private Limited (provided in books)	-	-	-	(2,360)	-	-	-	(2,360)
	Gati Import Export Trading Limited	-	-	-	-	-	341	-	341
	Gati Kausar India Ltd.	-	-	-	-	251	442	251	442

Notes -

- This is to confirm that the above transactions are (a) comprehensive and have been reviewed by Internal Auditors of the Company; (b) in the ordinary course of Business and at arm's length; (c) in compliance with applicable regulatory / statutory requirements including the Company's policy on Related Party Transactions.
- The Management confirms that requisite test to determine the arms length has been done and documented and where required confirmation from the external experts has been obtained for such determination.
- Related Party Transactions for which approval of the Audit Committee has been taken are well within the ambit of Omnibus Approval given by the Audit committee.
- The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given for FY 2020-21.
- The remuneration of directors is determined by the Nomination & Remuneration Committee having regard to the performance of individuals and market trends.
- Balances as of March 31, 2021, does not include the balances of certain parties which do not qualify as related party w.e.f. September 29, 2020.
- "0" represents amounts less than ₹ 1 lac.

Notes to Financial Statements

for the Year ended March 31, 2021

48. Advance receivable includes ₹ 410 lakhs due from Air India Limited against which provision is made in the current financial year. The matter was referred to the arbitral tribunal which passed an award dated September 17, 2013, directing Air India Limited to pay an amount of ₹ 2675 lakhs to the company along with interest @18 % per annum on the awarded amount. Air India filed an appeal before the Hon'ble High court at Delhi for setting aside of award, which directed Air India to deposit ₹ 2250 lakhs to the company. A property at Hyderabad was offered by the company as interim collateral. An application has been filed for release of above-mentioned collateral and is listed and pending for hearing. The matter remains sub-judice before Hon'ble High Court of New Delhi.
49. The Company is in the process of recovery of overdue advances amounting to ₹ 1,849 Lakhs given to few parties in earlier years. Management has decided to provide these overdue advances fully in the current financial year on conservative basis. A MoU has been signed with a revised repayment schedule which has been agreed between company and the parties in which this amount is also included.
50. The wholly owned subsidiary i.e., Gati Asia Pacific Pte Ltd (GAP) and it's two step down subsidiaries ceases to be a subsidiary with effect from August 16, 2020 after the transfer of investment to AllCargo Belgium N.V & Wingdom APAC Ltd, Hongkong.

51. Events after the Balance Sheet date;

- a) Post closure of the financial year ended March 31, 2021, the Board of Directors of the Company in its meeting held on Friday, May 07, 2021 considered and approved the Issuance of up to 10,23,020 Equity Shares of face value of ₹2 each ("Equity Shares") at a price of ₹97.75/- per Equity Share at a premium of ₹95.75/- per Equity Share, aggregating up to ₹10,00,00,205/- (Rupees Ten Crore Two Hundred and Five Only) and 71,61,120 Equity Warrants at a Price of ₹97.75/- per Equity Warrants with the right to warrant holder to apply for and be allotted 1 (One) Equity Share of the face value of ₹2/- each of the Company at a premium of ₹95.75/- per equity share for each Equity warrant within a period of 18 (Eighteen) months from the date of allotment of the warrants, aggregating up to ₹69,99,99,480/- (Rupees Sixty Nine Crores Ninety Nine Lacs Ninety Nine Thousand Four Hundred and Eighty Only) to Allcargo Logistics Limited, Promoter of the Company on Preferential issue basis in accordance with Chapter V of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("SEBI ICDR Regulations"), as amended, and other applicable laws, subject to the shareholders' approval by way of passing of the Special Resolution in the Extra-Ordinary General Meeting to be held on Thursday, June 03, 2021 and other necessary approvals (including applicable statutory and regulatory approvals) and in compliance with applicable laws and regulations.
- b) Disposal of Subsidiary i.e. Gati Kausar India Limited ("Gati Kausar"), by way of entering into Share Purchase Agreement ("SPA") among the Contracting Parties i.e. (i) Company as a Promoter, (ii) Mandala Capital AG Limited as an Investor, and (iii) Gati Kausar India Limited as a Company.

52. Disclosure pursuant to Securities Exchange Board of India (Listing Obligation and Disclosure Requirement and Regulation 2015) And Section 186 of The Companies Act, 2013

The Loan and advances in the nature of loan to subsidiaries are as follows; -

Particulars	(₹ In Lakhs)	
	Year ended March 31, 2021	Year ended March 31, 2020
Loan and Advances	2,001	1,790
Less: - Allowances on the loans and Advances	(1,242)	-
Total	759	1,790

Company had given interest free loan to a wholly owned subsidiary ""Gati Logistic Parks Pvt. Limited"" which is amounting to ₹2,001 lakhs towards financing a project in an earlier year, where the operation is yet to commence. Based on the fair value assessment of the land which was given as security to the company in the earlier years, the Company has provided provision of ₹1242 lakhs in current financial year against such loan.

53. The value of company's investment in a wholly owned subsidiary i.e. Gati Logistic Parks Limited has been written down to the extent of ₹909 lakhs.

Notes to Financial Statements

for the Year ended March 31, 2021

- 54.** Gati Import Export Trading Limited (GIETL), a wholly owned subsidiary of the Company, has scaled down its operations in FY 2021 due to change in market dynamics. Company's investment in GIETL has been impaired to the extent of ₹120 lakhs.
- 55.** The COVID-19 pandemic continues to spread throughout the world. The performance of the Company operation was impacted during the first quarter, following nationwide lockdown by the Government of India. The Company has resumed operations in a phased manner as per directives from the Government of India. The company has taken-into-account the impact of COVID – 19 in preparation of financial results including its assessment of going concern and recoverability of the carrying amounts of financial and non-financial assets. The extent to which the pandemic will impact our future financial results is currently uncertain and will depend on various other economic developments. The Company is also dependent on dividend from a major operating subsidiary, which is also affected by COVID-19 in respect of business operations and turnover. The Company will continue to monitor any material changes to future economic conditions.

56. Employee share-based payment:

Details of grants under various series are summarised below

S. No.	Description	Year ended March 31, 2021		Year ended March 31, 2020	
		ESOS-2006	ESOS-2007	ESOS-2006	ESOS-2007
	Scheme No.				
1	Date of shareholders' approval	11-10-2006	13-10-2007	11-10-2006	13-10-2007
2	Total number of options approved under ESOS	17,82,500	17,55,720	17,82,500	17,55,720
3	Vesting requirements	Commences at the expiry of two years from the date of grant.			
4	Exercise price or pricing formula	At a discount of 25% on the average of the weekly high and low of the closing prices for the Company's Equity Shares quoted on the Bombay Stock Exchange and / or National Stock Exchange during the four weeks preceding the date of grant of the options.			
5	Maximum term of options granted	4 years			
6	Source of shares (primary, secondary or combination)	Primary			
7	Variation of terms of options	Nil			
8	Method used to account for ESOS - Intrinsic or fair value	The company has calculated the employee compensation cost using the fair value of the stock options.			

S. No.	Description	Year ended March 31, 2021		Year ended March 31, 2020	
		ESOS-2006	ESOS-2007	ESOS-2006	ESOS-2007
1	Number of options outstanding at the beginning of the year (un-granted)	8,02,988	9,65,200	6,54,988	9,65,200
2	Number of options granted during the year	Nil	Nil	Nil	Nil
3	Number of options forfeited/lapsed during the year	94,905	16,095	1,48,000	0
4	Number of options vested during the year	94,905	16,095	1,48,000	0
5	Number of options exercised during the year	0	0	0	0
6	Number of shares arising as a result of exercise of options	0	0	0	70500*
7	Amount realized by exercise of options (₹)	0	0	0	60,22,110
8	Loan repaid by the Trust during the year from exercise price received	NA	NA	NA	NA
9	Number of options outstanding at the end of the year (out of total number of options approved under ESOS)	8,97,893	9,81,295	8,02,988	9,65,200
10	Number of options exercisable at the end of the year (out of total number of options approved under ESOS)	0	0	94,905	16,095

Notes to Financial Statements

for the Year ended March 31, 2021

	Weighted average exercise price (in ₹)	Weighted average Fair value (in ₹)	Expected Volatility (%)	Expected Dividend (%)	Life of Options granted (Years)	Risk free interest rate (%)
11 Stock Options granted on						
06-02-2014	45.60	69.50	9.93%	1.69%	4	8%
06-08-2014	85.42	113.79	12.59%	1.73%	4	8%
26-04-2016	87.13	116.18	-6.92%	0.81%	4	8%
04-11-2016	103.40	137.94	0.72%	0.81%	4	8%
12 Employee wise details of options granted to						
a. Key managerial personnel			Nil	Nil	Nil	Nil
b. Any other employee who receive a grant of options in any one year of option amounting to 5% or more of option granted during the year			Nil	Nil	Nil	Nil
c. Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants & conversions) of the Company at the time of grant			Nil	Nil	Nil	Nil
13 Description of the method and significant assumptions used during the year to estimate the fair value of the options, including the following weighted average information						
					The Black Scholes option-pricing model was developed for estimating fair value of traded options that have no vesting restrictions and are fully transferable. Since option-pricing models require use of substantive assumptions, changes therein can materially affect fair value of options. The option pricing models do not necessarily provide a reliable measure of fair value of options.	
14 The main assumptions used in the Black Scholes option-pricing model during the year were as follows:						
(i) Weighted average values of share price				Refer point no. 11		Refer point no. 11
(ii) exercise price				Refer point no.11		Refer point no.11
(iii) Risk free interest rate				8%		8%
(iv) Expected Life of Options				3 years		3 years
(v) Expected volatility				26-04-2016 (-6.92%), 04-11-2016 (0.72%)		26-04-2016 (-6.92%), 04-11-2016 (0.72%)
(vi) Dividend yield				0.81%		0.81%
15 The method used and the assumptions made to incorporate the effects of expected early exercise				NA		NA
16 How expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility						We have considered the historical price of the company at the stock exchange, where the trading volume is high. The average closing price on weekly basis was taken to calculate the volatility of the shares.
17 Whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition.					No	No

*70500 shares are arising as a result of exercise of options during the Financial Year 2018-19

Notes to Financial Statements

for the Year ended March 31, 2021

- 57.** Previous GAAP figures have been reclassified /regrouped wherever necessary.
- 58.** The financial statements are approved for issue by the Audit Committee and by Board of Directors at its meeting held on May 25, 2021.

As per our report of even date

For Singhi & Co.

Chartered Accountants
ICAI Firm Registration No: 302049E

Anurag Singhi

Partner
Membership no: 066274
Place: Kolkata
Date: May 25, 2021

For and on behalf of the Board of Directors

Shashi Kiran Shetty

Chairman & Managing Director
DIN: 00012754

Rohan Mittal

Chief Financial Officer
Place: Hyderabad
Date: May 25, 2021

T S Maharani

Company Secretary
M No. F8069

Independent Auditor's Report

To the Members of **Gati Limited**

Report on the Audit of the Consolidated Financial Statements

Qualified Opinion

We have audited the consolidated financial statements of Gati Limited (hereinafter referred to as "the Holding Company") and its subsidiaries and a step down subsidiaries (the Holding Company and its subsidiaries including step down subsidiaries together referred to as "the Group") comprising of the consolidated Balance sheet as at March 31, 2021, the consolidated Statement of Profit and Loss including other comprehensive income, the Consolidated Statement of Changes in Equity, the consolidated Cash Flow Statement for the year then ended and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries and step down subsidiaries, except for the indeterminate effect of the matter described in Basis for Qualified Opinion paragraph of our report, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standard) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2021, their consolidated loss including other comprehensive income, their consolidated statement of changes in equity and the consolidated cash flows for the year ended on that date.

Basis for Qualified Opinion

We draw your attention to Note 55 to the consolidated financial statements which states that, one of the subsidiaries' Gati Kausar India Limited, the said subsidiary has provided for its obligation towards commitment fee based on the management's assessment of the likely obligation in view of the ongoing negotiation with the investor relating to the terms of the amended Bond Subscription Agreement, instead of measuring the obligation at ₹838 lakhs as per the terms of the aforementioned agreement. However, in the absence of sufficient and appropriate audit evidence in support of management's assessment and pending final outcome of the negotiation referred above, we are unable to comment upon the adequacy of the provision and its consequential impact on the consolidated financial statements.

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us and audit evidence obtained by the other auditors in terms of their reports referred to in the other matter section below, is sufficient and appropriate to provide a basis for our qualified opinion on the consolidated financial statements.

Material Uncertainty Related to Going Concern

Attention is drawn to the Note 56, which states that in one of the subsidiary, Gati Kausar India Ltd has incurred a net loss of ₹1,650 lakhs during the year ended 31 March 2021 and as of that date, the subsidiary's accumulated losses amounts to ₹10,892 lakhs which has resulted in complete erosion of the net worth of the subsidiary, and the subsidiary's current liabilities exceeded its current assets by ₹9,582 lakhs. These conditions along with matters set forth in the said note, indicate the existence of a material uncertainty that may cast significant doubt about the subsidiary's ability to continue as a going concern. However, based on the revised business plans, including the restructuring plan under consideration with the key shareholders of the subsidiary as stated in the aforesaid note, the management is of the view that going concern basis of accounting is appropriate for preparation of the subsidiary's accompanying Statement.

Our opinion is not qualified in respect of above matter

Emphasis of Matter

We draw attention to following matter:

- a. Note 57 (a) to the consolidated financial statement, which states that managerial remuneration paid to two executive directors of the Company (including one executive director resigned in September 2020) for the year ended March 31, 2021 has exceeded the limit prescribed under section 197 read with Schedule V of the Companies Act, 2013 by ₹275 lakhs. Pending necessary approvals for the excess remuneration from members of the said subsidiary company, no adjustment to the consolidated financial statements has been made.

- b. Note 60 to the financial statement which describes the extent to which covid 19 Pandemic will impact company's result which depend on the future developments that are highly uncertain.

Our opinion is not qualified in respect of above matter

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the 'Basis for Qualified Opinion' Paragraph above, we have determined the matters described below to be the key audit matters to be communicated in our report. For each matter below, our description of how our audit addressed the matter is provided in that context. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the management, including those procedures performed to address the matters below, provide the basis for our qualified audit opinion on the consolidated financial statements.

Sr. No.	Key Audit Matter	How our audit addressed the key audit matters
1	<p>Impairment of Goodwill (See Note 4 to the Consolidated Financial Statements)</p> <p>The Group holds goodwill of ₹42580 lakhs on the statements of financial position.</p> <p>The determination of the recoverable amount of goodwill is a key judgment area as small changes in assumptions made, notably in respect of the future performance of the business and the discount rates applied to future cash flows projections can result in material different outcomes.</p>	<p>Our audit with respect to impairment testing of goodwill included the following:</p> <ul style="list-style-type: none"> ▪ Engaging internal fair valuation experts to challenge management's underlying assumptions and appropriateness of the valuation model used. ▪ Comparing the Group's assumptions with comparable benchmarks in relation to key inputs such as long-term growth rates and discount rates. ▪ Assessing the appropriateness of the forecasted cash flows within the budgeted period based on their understanding of the business and sector experience.
2	<p>Recoverability of Trade Receivable (See Note 15 to the Consolidated Financial Statements)</p> <p>The gross balance of trade receivables as at March 31, 2021 amounted to ₹23821 lakhs.</p> <p>Due to the inherent subjectivity that is involved in making judgments in relation to credit risk exposures to determine the recoverability of trade receivables, recoverability of trade receivables is considered a key audit matter.</p>	<p>Our audit with respect to determining recovery of trade receivables included the following:</p> <ul style="list-style-type: none"> ▪ Evaluating the Group's processes and controls relating to the monitoring of trade receivables and review of credit risks of customers. ▪ Examination of management's assessment of the credit review procedures of trade receivables, obtaining trade receivable confirmations, and mapping receipts from the trade receivables after the year end on test basis. ▪ Evaluating management's assumptions used to determine the expected credit loss on trade receivables impairment amount, through detailed analyses of ageing of receivables to historical patterns of receipts, assessment of material overdue individual trade receivables and risks specific to the trade receivables.
3	<p>Evaluation of uncertain tax positions (See Note 42 (I) to the Consolidated Financial Statements)</p> <p>The Group has material uncertain tax positions including matters under dispute which could have a significant impact on the Consolidated Financial Statement, if the potential expenses were to materialize.</p> <p>The outcome of such matters is uncertain and the position taken by management involves significant judgment.</p>	<p>Our audit with respect to evaluation of uncertain tax positions included the following:</p> <ul style="list-style-type: none"> ▪ Assessing the appropriateness of the design and implementation of the Group's controls over the assessment of uncertain tax position including matters under dispute and completeness of disclosures. Supporting documentation are tested for the positions taken by the management, meetings are conducted with in-house legal team, to confirm the operating effectiveness of these controls. ▪ Involving our internal experts to review the management's underlying assumptions in estimating the tax provisions and the possible outcome of the disputes. Our internal experts also considered legal precedence and other rulings in evaluating the management's position on these uncertain tax positions including matters under dispute. ▪ Additionally, we considered the effect of new information in respect of uncertain tax positions as at April 1, 2020 to evaluate whether any change was required in the management's position on these uncertainties as at March 31, 2021.

Sr. No.	Key Audit Matter	How our audit addressed the key audit matters
4	<p>Reasonableness of carrying amount of Assets held for sale (See Note 19 to the financial statements)</p> <p>The Group has classified assets earmarked for disposal as Assets held for sales. Assets held for sales carried at fair value have been estimated using significant unobservable input including non-binding offers from and negotiation held with prospective buyers as a result of which fair value is sensitive to change in input assumption.</p>	<p>Our audit with respect to determining carrying value of Assets held for sales included the following:</p> <ul style="list-style-type: none"> ▪ Evaluating the Company's processes and controls relating to the classification and valuation of assets held for sale. ▪ Examination of management's assessment of expectation of outcome of negotiation with prospective buyer. ▪ Review of independent valuation report of independent external valuer.
5	<p>Assessment of Going concern basis of for subsidiary (see note 56 to the consolidated Financial Statement)</p> <p>In one of the subsidiary, Gati Kausar India Ltd has incurred a net loss of ₹1,650 Lakhs during the year ended 31 March 2021 and as of that date, the subsidiary's accumulated losses amounts to ₹10,892 Lakhs which has resulted in complete erosion of the net worth of the said subsidiary, and the subsidiary's current liabilities exceeded its current assets by ₹9,582 Lakhs. These conditions along with matters set forth in the said note and as detailed in paragraph of 'Material Uncertainty Related to Going Concern' section above, indicate the existence of a material uncertainty that may cast significant doubt about the subsidiary's ability to continue as a going concern.</p>	<p>As reported to us by the component auditor, the following procedure have been performed by them in relation to assessment of appropriateness of going concern basis of accounting:</p> <ul style="list-style-type: none"> ▪ Obtained understanding of the management's process for identifying all events or conditions that could impact the subsidiary's ability to continue as a going concern, and the process to assess the corresponding mitigating factors existing against each such event or condition. ▪ Evaluated the design and tested the operating effectiveness of key controls around aforesaid identification of events or conditions and mitigating factors, and controls around cash flow projections prepared by the management. ▪ Reconciled the cash flow projections to future business plans of the subsidiary as approved by the Board of Directors as well as the restructuring plan referred to in the aforesaid note to the financial statements. ▪ Tested the appropriateness of the key assumptions used in the cash flow projections by considering our understanding of the business, past performance of the Company, external data and market conditions apart from discussing these assumptions with the management and the Audit Committee. Also, evaluated the appropriateness of judgments applied by the management while assessing the possible impact of COVID-19 on such assumptions. ▪ Evaluated the historical accuracy of the cash flow projections made by the management in prior periods. ▪ Tested the arithmetical accuracy of the calculations including those related to sensitivity analysis performed by the management; ▪ Performed independent sensitivity analysis on aforementioned key assumptions used in cash flow projections to test the adequacy of the available headroom. <p>Evaluated the appropriateness of the disclosures made in the financial statements in respect of going concern basis of accounting in accordance with applicable accounting standards.</p>

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the consolidated financial statements

or our knowledge obtained during the course of audit or otherwise appears to be materially misstated.

If, based on the work we have performed and the reports of other auditors furnished to us, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated

cash flows of the Group in accordance with the accounting principles generally accepted in India, including Indian Accounting Standards (Ind AS). The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group is also responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate

in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company and its subsidiary companies which are companies incorporated in India has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statement of which we are independent auditor regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all

relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the financial year ended March 31, 2021 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

i) The accompanying consolidated financial statement includes the audited financial statements and the other financial information, in respect of one Indian subsidiary whose financial statements / financial information reflect total assets of ₹5,496 Lakhs as at 31st March, 2021 and total revenue of ₹3,108 Lakhs, net loss of ₹(1,650) Lakhs, total comprehensive income (comprising of loss and other comprehensive income) of ₹(1,650) Lakhs for the year ended March 31, 2021 and net cash outflows amounting to ₹97 Lakhs for the year ended March 31, 2021, as considered in the consolidated financial statements. The consolidated financial statement / information have been audited by other auditor whose report have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the above subsidiary, is based solely on the report of other auditor.

Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary is based solely on the report(s) of such other auditors.

ii) The accompanying consolidated financial statement includes the unaudited financial statements and the other financial information, in respect of four Indian subsidiaries whose financial statements / financial information reflect total assets of ₹1,310 Lakhs as at 31st March, 2021 and total revenue of ₹554 Lakhs, net loss of ₹(1,915) Lakhs, total comprehensive income (comprising of loss and other comprehensive income) of ₹(1,915) Lakhs for the year ended March 31, 2021 and net cash outflows amounting to ₹43 Lakhs for the year ended March 31, 2021, as considered in the consolidated financial statement. The unaudited financial statement / financial information have been furnished and certified to us by the management of the respective subsidiary companies. According to the information and explanation given by the management of the Parent, these financial information are not material to the group.

iii) The accompanying consolidated statement include unaudited financial statements/ financial information of one foreign

subsidiary(Ceased to be a subsidiary w.e.f. 16th August, 2020), including two step down foreign subsidiaries, whose financial statements / financial information reflect total revenue of ₹694 Lakhs, net loss of ₹(1,298) Lakhs and total comprehensive income (comprising of loss and other comprehensive income) of ₹(210) Lakhs for the period 1st April, 2020 to 16th August, 2020 as considered in the consolidated financial statements.

(a) The unaudited financial statement / financial information has been furnished and certified to us by the management of the foreign subsidiary company. According to the information and explanation given by the management of the Parent, these financial information are not material to the group.

(b) These subsidiaries are located outside India whose annual financial statements have been prepared in accordance with accounting principles generally accepted in their respective countries. The Holding's management has converted the financial statement of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have reviewed these conversion adjustments made by the Holding's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding and audited by us.

Our opinion on the consolidated financial statement is not qualified in respect of the above matters with regard to our reliance on the work done and the reports of the other auditors and the financial statements and information certified by the management.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;

(b) In our opinion, except for matter described in the Basis for Qualified Opinion paragraph above, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;

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

of account maintained for the purpose of preparation of the consolidated financial statements;

- (d) Except for the indeterminate effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under section 133 of the Act, read with the relevant rules thereon.
- (e) The outcome of the matter described in the Basis for Qualified Opinion and Emphasis of Matter paragraph above in our opinion, may have an adverse effect on the functioning of the group.
- (f) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2021 taken on record by the Board of Directors of the Holding Company and its subsidiary companies incorporated in India, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
- (g) The reservation relating to maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above.
- (h) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated financial statements of the Holding Company and its subsidiary/step down subsidiary companies, refer to our separate Report in Annexure "A" to this report;
- (i) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and based on the consideration of report of the other statutory auditors of the subsidiaries incorporated in India, the remuneration paid by the company to its directors during the year is in accordance with provision of section 197 of the Act except in case of one of the subsidiary, Kintetsu Express Private Limited, managerial remuneration paid to two executive directors (including one executive director resigned in September 2020) for the year ended March 31, 2021 has exceeded the limit prescribed under section 197 read with Schedule V of the Companies Act, 2013 by ₹275

lakhs, which is subject to the approval of shareholders in accordance with the requisite approvals mandated by the provision of section 197 read with schedule V of the Act ; and

- (j) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, as noted in the 'Other matter' paragraph:
- i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note 42, 53, 54 to the consolidated financial statements;
 - ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There has been delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company. Details for the same are given below:

Date of declaration of Dividend	Due date for transferring unpaid dividend to Investor Education protection Fund	Delay as on 31st March 2021	Amount (₹ in lakhs)
6th Nov 2013	05th Dec 2020	117 days	7

For **Singhi & Co.**
 Chartered Accountants
 (Firm's Registration No. 302049E)

(Anurag Singhi)
 Partner

Place: Kolkata
 Date: 25th May, 2021

Membership No. 066274
 UDIN: 21066274AAAABI2543

Annexure - A to the Independent Auditor's Report

(Referred to in paragraph (h) with the heading 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

In conjunction with our audit of the consolidated financial statements of the Group as of and for the year ended March 31, 2021, we have audited the internal financial controls over financial reporting of Gati Limited ('the Holding Company') and its subsidiary companies which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the company, its subsidiary companies which are companies incorporated in India based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note') issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate

internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary companies, which are companies incorporated in India, in terms of their reports referred to in 'Other Matters' paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial control system over financial reporting of the Holding Company and its subsidiaries, which are companies incorporated in India.

Meaning of Internal Financial Controls over Financial Reporting

A group's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Basis of Qualified opinion

According to the information and explanations given to us and based on our audit, the following material weakness has been identified in the operating effectiveness of the one of the subsidiary Company's (Gati Kintetsu Express Private Limited) internal financial controls over financial reporting as at March 31, 2021:

- a. The subsidiary company's internal financial control related to contract revenue mapping in the Information technology system is not operating effectively and resulting in inadequate control over these processes. Management has represented that the remediation plan and necessary implementation steps have been taken.
- b. The subsidiary company did not have an effective integration between various functional software relating to sales and expenses with the accounting software resulting in weak internal control and reconciliation differences in Control Accounts in areas of trade receivables, trade payables, security deposits and operational advances.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control with reference to financial statements, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

Qualified Opinion

In our opinion, except for the possible effects of the material weakness described in the 'Basis of Qualified Opinion' section above on the achievement of the objectives of the control criteria, the group has maintained, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Group considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

We have considered the material weakness identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2021 financial statements of the Company, and the material weakness does not affect our opinion on the financial statements of the Group.

For **Singhi & Co.**
Chartered Accountants
(Firm's Registration No. 302049E)

(Anurag Singhi)
Partner

Place: Kolkata
Date: 25th May, 2021

Membership No. 066274
UDIN: 21066274AAAABI2543

Consolidated Balance sheet

as at March 31, 2021

(₹ In Lakhs)

Particulars	Notes	As at	
		March 31, 2021	March 31, 2020
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	3A	14,357	52,293
Right of use assets	3B	7,273	8,461
Goodwill	4	42,580	42,580
Other Intangible Assets	5	555	355
Intangible Assets under Development	6	-	207
Financial Assets			
Investments	7	-	-
Loans	8	538	560
Deferred tax Assets (Net)	9	2,440	639
Non-Current tax Assets (Net)	10	8,335	9,599
Other non-current assets	11	309	254
		76,387	1,14,948
CURRENT ASSETS			
Inventories	12	382	963
Financial assets			
Investments	13	-	7,782
Loans	14	2,043	2,122
Trade receivables	15	19,546	20,534
Cash and cash equivalents	16A	4,247	3,366
Bank Balances other than above	16B	1,381	1,493
Other Financial Assets	17	234	2,929
Other current assets	18	3,507	2,268
Assets classified as held for sale	19	15,988	3,009
		47,328	44,466
		1,23,715	1,59,414
TOTAL ASSETS			
EQUITY AND LIABILITIES			
EQUITY			
Equity Share Capital	20	2,439	2,439
Other Equity	21	50,071	71,873
Equity attributable to owners of the company		52,510	74,312
Non controlling interest		8,472	10,350
TOTAL EQUITY		60,982	84,662
LIABILITIES			
NON-CURRENT LIABILITIES			
Financial liabilities			
Borrowings	22	2,620	9,705
Lease Liabilities	23	6,040	6,928
Other financial liabilities	24	24	67
Provisions	25	1,096	808
		9,780	17,508
CURRENT LIABILITIES			
Financial liabilities			
Borrowings	26	14,516	15,388
Lease Liabilities	23	1,137	990
Trade payables	27		
(a) Total outstanding dues of Micro and Small Enterprises		345	117
(b) Total outstanding dues of creditors other than Micro and Small Enterprises		8,563	11,518
Other financial liabilities	28	20,626	22,248
Other current liabilities	29	5,120	3,235
Current Tax Liabilities	30	2,257	3,559
Provisions	31	389	189
		52,953	57,244
		62,733	74,752
TOTAL LIABILITIES		1,23,715	1,59,414
TOTAL EQUITY AND LIABILITIES		1,23,715	1,59,414

The accompanying significant accounting policies and notes form an integral part of the Consolidated Financial Statements

As per our report of even date

For Singhi & Co.

Chartered Accountants
ICAI Firm Registration No: 302049E

Anurag Singhi

Partner
Membership no: 066274
Place: Kolkata
Date: May 25, 2021

For and on behalf of the Board of Directors

Shashi Kiran Shetty

Chairman & Managing Director
DIN: 00012754

Rohan Mittal

Chief Financial Officer
Place: Hyderabad
Date: May 25, 2021

T S Maharani

Company Secretary
M No. F8069

Consolidated Statement of Profit and Loss

for the Year ended March 31, 2021

Particulars	Notes	₹ In Lakhs	
		Year ended March 31, 2021	Year ended March 31, 2020
I INCOME			
Revenue from Operations	32	1,31,424	1,71,167
Other Income	33	1,041	1,326
TOTAL INCOME (I)		1,32,465	1,72,493
II EXPENSES			
Operating Expenses	34	74,689	94,992
Purchase of Stock-in-trade		23,919	37,124
Changes in Inventories of Stock-in-Trade	35	335	228
Employee Benefit Expense	36	16,291	18,831
Finance Costs	37	4,514	5,364
Depreciation and Amortisation expense	38	4,013	4,370
Other Expenses	39	13,475	16,427
TOTAL EXPENSES (II)		1,37,236	1,77,336
III PROFIT/(LOSS) BEFORE EXCEPTIONAL ITEMS AND TAX (I-II)		(4,771)	(4,843)
IV Exceptional Items	40	20,486	-
V PROFIT/(LOSS) BEFORE TAX (III-IV)		(25,257)	(4,843)
VI TAX EXPENSES	41		
Current Tax		-	141
Deferred Tax		(1,718)	(192)
Income Tax for earlier years		1,054	3,635
TOTAL TAX EXPENSES		(664)	3,584
VII PROFIT/(LOSS) FOR THE YEAR (V-VI)		(24,593)	(8,427)
VIII OTHER COMPREHENSIVE INCOME (OCI)			
A) Items not to be reclassified to profit or loss in subsequent periods:			
Remeasurement gains/ (losses) on defined benefit plans		(258)	(83)
Equity investments through Other Comprehensive income		-	(78)
Income tax effect on above items		83	27
B) Items will be reclassified to profit or loss in subsequent periods:			
Exchange difference arising on translation of foreign operations		1,088	6
Income tax effect on above items		-	-
OTHER COMPREHENSIVE INCOME FOR THE YEAR (NET OF TAX)		913	(128)
IX TOTAL COMPREHENSIVE INCOME FOR THE YEAR (VII+VIII)		(23,680)	(8,555)
X Profit/(Loss) for the year		(24,593)	(8,427)
Attributable to:			
Owners of the company		(22,788)	(7,829)
Non-Controlling Interests		(1,805)	(598)
Total comprehensive income for the year		(23,680)	(8,555)
Attributable to:			
Owners of the company		(21,802)	(7,932)
Non-Controlling Interests		(1,878)	(623)
EARNINGS PER EQUITY SHARE			
(NOMINAL VALUE PER SHARE: ₹2/- (PREVIOUS YEAR ₹2/-))			
Basic (In ₹)		(18.69)	(7.04)
Diluted (In ₹)		(18.69)	(7.03)

The accompanying significant accounting policies and notes form an integral part of the Consolidated Financial Statements

As per our report of even date

For Singhi & Co.

Chartered Accountants
ICAI Firm Registration No: 302049E

Anurag Singhi

Partner
Membership no: 066274
Place: Kolkata
Date: May 25, 2021

For and on behalf of the Board of Directors

Shashi Kiran Shetty

Chairman & Managing Director
DIN: 00012754

Rohan Mittal

Chief Financial Officer
Place: Hyderabad
Date: May 25, 2021

T S Maharani

Company Secretary
M No. F8069

Consolidated Cash Flow Statement

for the Year ended March 31, 2021

(₹ In Lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
A: Cash Flow From Operating Activities		
Net Profit/(Loss) Before Taxes after exceptional items as per Statement of Profit and Loss	(25,257)	(4,843)
Adjustments For:		
Depreciation and Amortisation expense	4,013	4,370
Net (gain)/ loss on sale of Property, plant & equipment	1,784	(97)
Expenses on Employee Stock Option scheme	1	(9)
Finance Costs	4,513	5,364
Interest Income on deposits with bank & others	(159)	(198)
Interest on refund of Income tax	(309)	(86)
Net Foreign Exchange (gain)/ Loss	9	(15)
Allowance for Doubtful Receivables	1,158	984
Capital work-in-progress & Other advance written off	-	72
Bad debts and irrevocable balances written off	393	572
Provision towards advance	2,474	336
Net Gain on Investments measured at FVTPL	-	(62)
Liability no longer required written back	(126)	(470)
Net (gain)/ loss on sale of investments	(111)	-
Allowance for Expiry Stock	14	-
Net (gain)/ loss on sale of Mutual Funds	(80)	-
Provision for Bad Debts no longer required written back	(292)	-
Net Loss on Sale of Investments	1,127	-
Loss On Asset Held for Sale Classification	15,348	-
Operating Profit Before changes in operating assets and liabilities	4,500	5,918
Adjustment for changes in operating assets and liabilities:		
Decrease / (Increase) In Trade Receivables	(597)	1,764
Decrease / (Increase) In Inventories	567	236
Decrease / (Increase) in Other Current Assets	(1,296)	662
Decrease / (Increase) in Other Current Financial Assets	211	295
Decrease / (Increase) in Loans and Other Non Current Assets	45	73
Increase / (Decrease) In Trade Payables	(2,234)	(3,255)
Increase / (Decrease) in Non Current Liabilities	37	(605)
Increase / (Decrease) in Current Financial Liabilities	2,255	400
Increase / (Decrease) in Current Liabilities	1,956	36
Increase / (Decrease) in Provisions	230	(39)
Cash generated from Operating Activities	5,674	5,485
Direct Taxes paid (net of refunds)	(783)	(2,655)
Net Cash generated/(used) in Operating Activities - (A)	4,891	2,830
B: Cash Flow From Investing Activities		
Sale proceeds from Property, Plant and Equipment	5,889	691
Purchase of Property, Plant and Equipment including Capital work in progress	(498)	(3,241)
Purchase of Intangible Assets	(158)	-
Proceeds/(Purchase) of Current Investments (net)	7,862	(7,720)
Sale proceeds from Current / Non current Investments	111	165
Interest Received	159	242
Investment in/Proceeds from bank Fixed Deposit (Net)	111	1,543
Net Cash generated/(used) in Investing Activities (B)	13,476	(8,320)

Consolidated Cash Flow Statement

for the Year ended March 31, 2021

Particulars	(₹ In Lakhs)	
	Year ended March 31, 2021	Year ended March 31, 2020
C: Cash Flow From Financing Activities		
Proceeds from issue of Equity Shares (Net of Issue expenses)	-	10,007
Proceeds from Public deposits	44	186
Repayment of Public deposits	(670)	(244)
Proceeds of Long term borrowings	1,327	4,121
Repayment of Long term borrowings	(12,666)	(4,076)
Payment of Principal Portion of Lease liabilities	(986)	(832)
Payment of interest on Lease liabilities	(909)	(859)
Movement in Short term borrowings (Net)	(872)	4,015
Dividend Paid including Tax	-	(1,438)
Finance Costs	(2,608)	(3,761)
Net Cash generated/(used) from Financing Activities (C)	(17,340)	7,119
Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)	1,028	1,629
Cash and Cash Equivalents as at the beginning of the year	3,366	1,738
Less Cash and cash equivalents of disposed subsidiary	(147)	-
Cash and Cash Equivalents as at the Year ended	4,247	3,366

Notes:

- The above Statement of Cash Flow has been prepared under the "Indirect Method" as set out in Indian Accounting Standard (Ind AS) 7 on Statement of Cash Flow as notified under Companies (Accounts) Rules, 2015.
- Components of cash and cash equivalents**

	(₹ In Lakhs)	
	Year ended March 31, 2021	Year ended March 31, 2020
Balance with Banks:		
On Current Accounts	4,129	3,137
Deposits with original maturity of less than three months	79	148
Cash on hand	39	81
Cash and Cash Equivalents (Refer Note 16A)	4,247	3,366

The accompanying significant accounting policies and notes form an integral part of the Consolidated Financial Statements

As per our report of even date

For Singhi & Co.

Chartered Accountants
 ICAI Firm Registration No: 302049E

Anurag Singhi

Partner
 Membership no: 066274
 Place: Kolkata
 Date: May 25, 2021

For and on behalf of the Board of Directors

Shashi Kiran Shetty

Chairman & Managing Director
 DIN: 00012754

Rohan Mittal

Chief Financial Officer
 Place: Hyderabad
 Date: May 25, 2021

T S Maharani

Company Secretary
 M No. F8069

Consolidated Statement of Changes in Equity

for the Year ended March 31, 2021

A) Equity Share Capital

	No of Shares	(₹ In Lakhs)
Balance as at March 31, 2019	10,85,42,137	2,171
Changes in Equity Share Capital for the year ended March 31, 2020	1,34,03,840	268
Balance as at March 31, 2020	12,19,45,977	2,439
Changes in Equity Share Capital for the year ended March 31, 2021	-	-
Balance as at March 31, 2021	12,19,45,977	2,439

B) Other Equity

	Reserves and Surplus							Comprehensive Income		Foreign Currency Translation Reserve	Equity attributable to owners of the company	Non controlling Interest	Total Equity
	Securities Premium	General Reserve	Capital Reserve	Tonnage Tax Reserve (Utilized)	Share Option Outstanding account	Special Reserve	Retained Earnings	Equity Instrument through Other Comprehensive Income	Other Comprehensive Income	(1,094)	70,272	12,205	82,476
Balance as at March 31, 2019	24,333	10,378	2,084	929	156	14,707	18,683	96	96	(1,094)	70,272	12,205	82,476
Profit/(Loss) for the year	-	-	-	-	-	-	(7,829)	-	-	-	(7,829)	(598)	(8,427)
Employee stock options lapsed	-	82	-	-	(82)	-	-	-	-	-	-	-	-
Share Issue Expense	(45)	-	-	-	-	-	-	-	-	-	(45)	(841)	(45)
Adjustments during the year	79	-	-	-	(28)	-	861	(19)	(19)	-	842	-	1
Issue of equity shares on exercise of employee stock options	-	-	-	-	-	-	-	-	-	-	50	-	50
Issue of equity shares	9,733	-	-	-	-	-	-	-	-	-	9,733	-	9,733
Final Dividend on Equity Shares	-	-	-	-	-	-	(869)	-	-	-	(869)	(324)	(1,193)
Tax on Dividend	-	-	-	-	-	-	(179)	-	-	-	(179)	(67)	(245)
Other Comprehensive income	-	-	-	-	-	-	(32)	(77)	(77)	6	(103)	(25)	(128)
Balance as at March 31, 2020	34,100	10,460	2,084	929	45	14,707	10,636	-	-	(1,088)	71,873	10,350	82,223

B) Other Equity

	Reserves and Surplus							Comprehensive Income		Foreign Currency Translation Reserve	Equity attributable to owners of the company	Non controlling Interest	Total Equity
	Securities Premium	General Reserve	Capital Reserve	Tonnage Tax Reserve (Utilized)	Share Option Outstanding account	Special Reserve	Retained Earnings	Equity Instrument through Other Comprehensive Income	Other Comprehensive Income	(1,094)	70,272	12,205	82,476
Balance as at March 31, 2019	24,333	10,378	2,084	929	156	14,707	18,683	96	96	(1,094)	70,272	12,205	82,476
Profit/(Loss) for the year	-	-	-	-	-	-	(7,829)	-	-	-	(7,829)	(598)	(8,427)
Employee stock options lapsed	-	82	-	-	(82)	-	-	-	-	-	-	-	-
Share Issue Expense	(45)	-	-	-	-	-	-	-	-	-	(45)	(841)	(45)
Adjustments during the year	79	-	-	-	(28)	-	861	(19)	(19)	-	842	-	1
Issue of equity shares on exercise of employee stock options	-	-	-	-	-	-	-	-	-	-	50	-	50
Issue of equity shares	9,733	-	-	-	-	-	-	-	-	-	9,733	-	9,733
Final Dividend on Equity Shares	-	-	-	-	-	-	(869)	-	-	-	(869)	(324)	(1,193)
Tax on Dividend	-	-	-	-	-	-	(179)	-	-	-	(179)	(67)	(245)
Other Comprehensive income	-	-	-	-	-	-	(32)	(77)	(77)	6	(103)	(25)	(128)
Balance as at March 31, 2020	34,100	10,460	2,084	929	45	14,707	10,636	-	-	(1,088)	71,873	10,350	82,223

Consolidated Statement of Changes in Equity

for the Year ended March 31, 2021

(₹ In Lakhs)

Particulars	Reserves and Surplus						Other Comprehensive Income		Equity attributable to owners of the company	Non controlling Interest	Total Equity
	Securities Premium	General Reserve	Capital Reserve	Tonnage Tax Reserve (Utilized)	Share Option Outstanding account	Special Reserve	Retained Earnings	Instrument through Other Comprehensive Income			
Profit/(Loss) for the year	-	-	-	-	-	(22,788)	-	-	-	(1,805)	(24,593)
Employee stock options lapsed	-	45	-	-	(45)	-	-	-	-	-	-
Other Comprehensive income	-	-	-	-	-	(102)	-	1,088	987	(74)	913
Balance as at March 31, 2021	34,100	10,505	2,084	929	-	14,707	(12,254)	-	50,071	8,472	58,543

The accompanying significant accounting policies and notes form an integral part of the Consolidated Financial Statements

As per our report of even date

For Singhi & Co.

Chartered Accountants
ICAI Firm Registration No: 302049E

Anurag Singhi

Partner
Membership no: 066274
Place: Kolkata
Date: May 25, 2021

For and on behalf of the Board of Directors

Shashi Kiran Shetty

Chairman & Managing Director
DIN: 00012754

Rohan Mittal

Chief Financial Officer
Place: Hyderabad
Date: May 25, 2021

T S Maharani

Company Secretary
M No. F8069

Notes to Consolidated Financial Statements

for the Year ended March 31, 2021

1. Corporate and general information:

The consolidated financial statements comprise financial statements of Gati limited (the Company) and its subsidiaries (collectively, the Group) for the year ended 31st March, 2021. The Company is a public limited company incorporated in 1995 under provisions of the companies Act, 1956 having its Registered and Corporate Office at Plot no.20, Survey no.12, Kothaguda, Kondapur, Hyderabad - 500 084. Telangana, India. The company is primarily engaged in the business of Express distribution and Supply chain solution through Surface, Air and Rail logistics, Supply chain management (SCM), E-Commerce logistics, Freight Forwarding (Domestic and International) and Cold Chain - transportation and Warehousing, Fuel station. The company is listed on National Stock exchange (NSE) and Bombay Stock Exchange (BSE).

2. Basis of Accounting:

2.1 Statement of Compliance

These Consolidated financial statements have been prepared in accordance with the Indian Accounting Standards ("Ind AS") as prescribed by Ministry of Corporate affairs pursuant to section 133 of the Companies Act, 2013 (the Act), read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and other relevant provisions of the Act and other accounting principles generally accepted in India.

2.2 Basis of Measurement

The financial statements have been prepared on a going concern basis using historical cost, except as stated below

- Financial Instruments - Measured at Fair value/ Amortised cost;
- Plan Assets under defined benefit plans - Measured at fair value;
- Employee share-based payments - Measured at fair value

2.3 Functional and Presentation Currency

All financial information presented in Indian rupees (INR) which is the Company's functional currency, has been rounded to the nearest lakhs, unless otherwise stated.

2.4 Estimation of uncertainties relating to the global health pandemic from COVID-19

The Group has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables and unbilled revenues. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Group, as at the date of approval of these financial statements has used internal and external

sources of information including credit reports and related information, economic forecasts. The Group has performed sensitivity analysis on the assumptions used and based on current estimates expects the carrying amount of these assets will be recovered. The impact of COVID-19 on the Group's financial statements may differ from that estimated as at the date of approval of these consolidated financial statements.

2.5 Use of Estimates and Judgements

The preparation of the consolidated financial statements requires management to make estimates, judgments and assumptions that affect the reported amounts of assets, liabilities, income and expenses, the accompanying disclosures and disclosures of contingent liabilities. Estimates and underlying assumptions are reviewed on an ongoing basis. Uncertainty about these estimates and assumptions could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumption in these financial statements have been disclosed below. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Critical accounting estimates and judgments used are as below:

- (i) Defined benefit obligation
- (ii) Recognition of current tax and deferred tax
- (iii) Recognition and measurement of provisions and contingencies
- (iv) Fair value measurement of Financial instruments
- (v) Provision for Doubtful Debts and advances
- (vi) Share based payments
- (vii) Impairment of Goodwill

2.6 Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at March 31, 2021. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)

Notes to Consolidated Financial Statements

for the Year ended March 31, 2021

- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed off during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a subsidiary of the company uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that subsidiaries financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on March 31, 2021. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares additional financial information as on the same date for consolidation purpose to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Consolidation Procedure:

- (a) Combine like items of assets, liabilities, equity, income, expenses of the parent with those of its subsidiaries.
- (b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Eliminate in full intragroup assets and liabilities, equity, income, expenses relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and Property, Plant and Equipment, are eliminated in full). Ind AS12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.
- (c) In case of foreign subsidiaries, being non-integral foreign operations, revenue items are translated at the average rates prevailing during the period. Assets, liabilities are translated at the closing rate. Any exchange difference arising on translation is recognised in the "Foreign Currency Translation Reserve".
- (d) Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.
- (e) **Investment in Associates**

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The Group's investments in its associate are accounted for using the equity method. Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment individually.

The statement of profit and loss reflects the Group's share of the results of operations of the associate. Any change in OCI of those investees is presented as

Notes to Consolidated Financial Statements

for the Year ended March 31, 2021

part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

If an entity's share of losses of an associate equals or exceeds its interest in the associate (which includes any long term interest that, in substance, form part of the Group's net investment in the associate), the entity discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture. If the associate subsequently reports profits, the entity resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The aggregate of the Group's share of profit or loss of an associate is shown on the face of the statement of profit and loss.

The financial statements of the associate are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognises the loss as 'Share of profit of an associate' in the statement of profit or loss.

2.7 Current Vs Non-Current Classification

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is classified as current when it is:

- Expected to be realized or intended to sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period; or

- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All the other assets are classified as non-current.

A liability is current when:

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

The Group classifies all other liabilities as non-current. Deferred Tax Assets and Liabilities are classified as non-current assets and liabilities respectively.

2.8 Recent accounting pronouncements - issued but not yet effective

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through notification amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet:

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Current maturities of Long-term borrowings shall be disclosed separately under the heading Short Term Borrowing.

Notes to Consolidated Financial Statements

for the Year ended March 31, 2021

- Security Deposits to be shown under the head of Other Non-Current Assets instead of Long-term Loan & Advances.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.
- Ratios-Following Ratios to be disclosed: -

(a) Current Ratio, (b) Debt-Equity Ratio, (c) Debt Service Coverage Ratio, (d) Return on Equity Ratio, (e) Inventory turnover ratio, (f) Trade Receivables turnover ratio, (g) Trade payables turnover ratio, (h) Net capital turnover ratio, (i) Net profit ratio, (j) Return on Capital employed, (k) Return on investment.

Statement of profit and loss:

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the standalone financial statements.

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

Significant Group Accounting Policies:

A summary of the significant accounting policies applied in the preparation of the consolidated financial statements are as given below. These accounting policies have been applied consistently to all the periods presented in the consolidated financial statements.

2.9 Property, plant and equipment

Recognition and Measurement:

- Property, plant and equipment (PPE) held for use in the supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost, less any accumulated depreciation and cumulative impairment losses (if any).
- Cost comprises of cost of acquisition or construction inclusive of duties (net of tax) incidental expenses, interest and erection/commissioning expenses incurred up to the date asset is put to use. Administrative and other general overhead expenses that are specifically attributable to construction or acquisition of PPE or bringing the PPE to working condition are allocated and capitalized as a part of cost of PPE. When significant parts of plant and

equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives.

Capital work in progress and Capital Advances:

Capital working progress represents Property Plant and Equipment that are not yet ready for their intended use as at the Balance sheet date. Capital advances given towards purchase/ acquisition of PPE outstanding at each balance sheet date are disclosed separately as other Non-current Assets or Other Current Asset.

Non-current assets held for sale

Non-current assets held for sale are presented separately in the Balance Sheet when the following criteria are met

- the Company is committed to selling the assets;
- the assets are available for sale immediately;
- an active plan of sale has commenced; and
- sale is expected to be completed within 12 months.

Assets held for sale and disposal groups are measured at the lower of their carrying amount and fair value less cost to sell. Assets held for sale are no longer amortised or depreciated.

Subsequent Expenditure:

- Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the cost incurred will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced.
- Items such as spare parts, stand by equipments and servicing equipments that meet the definition of property, plant and equipment are capitalized at cost and depreciated over their useful life.
- Cost in nature of repair and maintenance expenses are charged to the statement of profit or loss during the reporting period in which they are incurred.

Depreciation and Amortisation:

- Depreciation on tangible assets is provided on straight-line method at the rates determined based on the useful lives of respective assets as prescribed under Schedule II of the Companies Act, 2013.
- Freehold land is not depreciated.
- Cost of leasehold land is amortised over the period of the lease or its useful life, whichever is lower.

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- Intangible assets are amortised on straight line basis over its estimated useful life.
- Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted, if appropriate.
- Depreciation on additions (disposals) during the year is provided on a pro-rata basis i.e., from (upto) the date on which asset is ready for use (disposed off).

De-recognition Assets:

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss is recognized in the statement of profit and loss.

2.10 Intangible Assets:

Intangible assets are stated at acquisition cost net of accumulated amortisation or cumulative impairment, if any. The Group capitalizes identifiable costs relating to development of internally generated software and these are stated net of accumulated amortisation.

Intangible assets under development comprise costs relating to development of software that are not yet ready for their intended use as at the balance sheet date.

The carrying amount of the intangible asset is derecognized on disposal or when no future economic benefit is expected from its use. Any gain or loss is recognised in the statement of Profit and loss.

2.11 Leases:

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(i) Right-of-use Assets (ROU Assets)

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease

liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to the accounting policies in Note 2.12 Impairment of non-financial assets.

(ii) Lease Liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs. In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. Lease liability and ROU assets have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

(iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of properties, machinery and equipment (i.e. those leases that

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have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

2.12 Impairment of assets:

- a) The Group assesses at each reporting date whether there is any indication that an asset (tangible or intangible), may be impaired. If any indication exists, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating units (CGU) net selling price and its value in use. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered to be impaired and is written down to its recoverable amount. Impairment losses are recognized in the Statement of Profit and Loss. Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognized for an asset in prior accounting periods may no longer exist or may have decreased and such reversal is recorded in the Statement of Profit and Loss.
- b) Assets that are subject to depreciation and amortisation and assets representing investments in associate companies are reviewed for impairment, whenever events or changes in circumstances indicate that carrying amount may not be recoverable. Such circumstances include, though are not limited to, significant or sustained decline in revenues or earnings and material adverse changes in the economic environment.
- c) An entity shall test an intangible asset with an indefinite useful life or an intangible asset not yet available for use for impairment, irrespective of whether there is any indication of impairment. This impairment test may be performed at any time during the year, provided it is performed at the same time every year.

2.13 Foreign currency Transactions:

- a) The financial statements are presented in Indian Rupee (INR), which is the functional and presentation currency of the Company.
- b) Transactions denominated in foreign currencies are recorded at the exchange rate prevailing at the date of the transaction.
- c) At each balance sheet date, foreign currency monetary items are restated using the closing exchange rate.

- d) Any exchange difference on account of settlement of foreign currency transactions and restatement of monetary assets and liabilities denominated in foreign currency is recognised in the Statement of Profit and Loss.
- e) Non-monetary items are not retranslated at year-end and are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.
- f) On consolidation of subsidiaries, the assets and liabilities of foreign operations are translated into INR at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. For practical reasons, the group uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the dates of the transactions. The exchange differences arising on translation for consolidation are recognized in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognized in profit or loss.

2.14 Inventories:

Cost of Inventories have been computed to include all cost of purchases, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Inventories are valued at lower of cost and net realizable values.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

2.15 Revenue Recognition:

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net off variable consideration) allocated to the performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various elements like discounts etc.. offered by the Group as part of the contract. The variable consideration is estimated based on the expected value of outflow.

a) Rendering of services:

Income from logistics services rendered are recognized when control over the services transferred to the customer i.e. when the customer has the ability to control the use of the transferred services as per the terms of contract. Revenue is recognized at the fair value of consideration received or receivable, to the

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

b) Sales of Goods:

Revenue from sale of products is recognized when the control on the goods has been transferred to the customer.

c) Others:

- I. Dividend income from investments is recognised when the right to receive payment has been established.
- II. Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and amount of income can be measured reliably.
- III. Rent income is recognised on a straight-line basis over the period of the lease.

2.16 Financial instruments:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument in another entity.

(i) Financial assets:

a) Initial recognition and measurement:

On initial recognition, a financial asset is classified and measured at:

- Amortised Cost; or
- Fair value through Other Comprehensive Income (FVOCI); or
- Fair value through Profit or loss (FVTPL)

Financial asset are not reclassified subsequent to their initial recognition, except if and in the period the Group changes its business model for managing financial asset. In the case of financial assets, not recorded at fair value through profit or loss (FVTPL), financial assets are recognized initially at fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

I. Financial assets at amortized cost:

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- a) The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

The Effective Interest Rate (EIR) amortisation is included in finance income in the Statement of Profit and Loss. This category generally applies to long-term deposits and long-term trade receivables.

II. Financial assets at fair value through other comprehensive income (FVOCI):

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income (designated as FVOCI-equity investment). This election is made on an investment-by-investment basis.

Financial assets are measured at the FVOCI if both of the following conditions are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The asset's contractual cash flows represent SPPI.

Financial assets included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI).

III. Financial assets at fair value through profit or loss (FVTPL):

All financial assets which are not classified/measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Group may irrevocably designate

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a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

b) Subsequent measurement

Category	Subsequent measurement and gains and Losses
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method (EIR). The amortised cost is reduced by impairment losses, if any. Interest income, foreign exchange gains and losses and impairment are recognised in Statement of Profit and Loss. Any gain or loss on derecognition is recognised in Statement of Profit and Loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in Statement of Profit and Loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to Statement of Profit and Loss.
Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in Statement of Profit and Loss.

An investment in associates is carried at cost in separate financial statements.

(ii) Financial Liability:

Financial liabilities are classified and measured at amortised cost or FVTPL

a) Initial Recognition & Subsequent measurement:

I. Financial liabilities through fair value through profit or loss (FVTPL):

A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in Statement of Profit and Loss.

II. Financial liabilities at amortised cost:

Other financial liabilities are subsequently measured at amortised cost using the effective

interest method. Interest expense and foreign exchange gains and losses are recognised in Statement of Profit and Loss.

Interest bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in Statement of Profit and Loss when the liabilities are derecognized as well as through the EIR amortisation process. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximates fair value due to the short maturity of these instruments.

b) Financial guarantee liability:

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument.

Financial guarantee contracts are recognised initially as a liability at fair value net off transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

iii) Impairment of Financial Assets:

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115.

The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables.

The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime Expected credit loss at each reporting date, right from its initial recognition.

As a practical expedient, the Group uses historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates to determine impairment loss allowance on portfolio of its trade receivables.

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iv) Derecognition:

a) Financial Assets:

The Group derecognizes a financial asset only:-

- when the contractual rights to the cash flows from the asset expire, or
- It transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

b) Financial liabilities:

The Group derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognizes a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in Statement of Profit and Loss.

v) Offsetting:

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet, when and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

2.17 Fair Value measurement:

A number of the Group accounting policies and disclosures require the measurement of fair values, for financial assets and financial liabilities. The Group has an established control framework with respect to the measurement of fair values. The management has overall responsibility for overseeing all significant fair value measurements and it regularly reviews significant unobservable inputs and valuation adjustments.

The Group measures financial assets and financial liability at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that

the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1- Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2- Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3- Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

2.18 Employee benefits:

a) Defined contribution plan:

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Company makes specified monthly contributions of employee provident fund to Government administered provident fund and Employee State insurance scheme which is defined contribution plans. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in the statement of Profit and Loss in the periods during which the related services are rendered by employees.

b) Defined benefit plan:

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.

The Company's gratuity benefit scheme is a defined benefit plan. The Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior

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periods, discounting that amount and deducting the fair value of any plan assets. The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in Other comprehensive income (OCI). The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in Statement of Profit and Loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in Statement of profit and Loss. The Company recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

The contributions are deposited with the Life Insurance Corporation of India based on information received by the Company. When the benefits of a plan are improved, the portion of the increased benefit related to past service by employees is recognised in Statement of Profit and Loss on a straight-line basis over the average period until the benefits become vested.

c) Compensated absences:

As per policy of the Company, employees can carry forward unutilized accrued compensated absences and utilize it in next service period or receive cash compensation. Since the compensated absences fall due wholly within twelve months after the end of the period in which the employees render the related service and are also expected to be utilized wholly within twelve months after the end of such period, the benefit is classified as a current employee benefit. The Company records an obligation for such compensated

absences in the year in which the employee renders the services that increase this entitlement.

The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognised in the Statement of Profit and Loss.

d) Short-term employee benefit:

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

2.19 Income taxes:

The tax expense for the period comprises current and deferred tax. Tax is recognised in Statement of Profit and Loss, except to the extent that it relates to items recognised in the comprehensive income or in equity. In which case, the tax is also recognised in other comprehensive income or equity.

a) Current tax:

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted at the Balance sheet date.

b) Deferred tax:

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused

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tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

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

2.20 Cash and cash equivalents:

In the cash flow statement, cash and cash equivalents include cash in hand, cheques in hand, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less.

2.21 Provisions and Contingencies:

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

Contingent liabilities are disclosed in respect of possible obligations that arise from past events, whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. Such liabilities are disclosed by way of notes to the financial statements.

2.22 Borrowing cost:

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalized as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

Where there is an unrealised exchange loss which is treated as an adjustment to interest and subsequently there is a realised or unrealised gain in respect of the settlement or translation of the same borrowing, the gain to the extent of the loss previously recognised as an adjustment is recognised as an adjustment to interest.

2.23 Segment information:

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

2.24 Share based payments:

Equity-settled share-based payments to employees are measured at the fair value of the employee stock options at the grant date.

The fair value of option at the grant date is expensed over the vesting period with a corresponding increase in equity as "Share Option outstanding account". In case of forfeiture of unvested option, portion of amount already expensed is reversed. In a situation where the vested option forfeited or expires unexercised, the related balance standing to the credit of the "Share Option outstanding account" are transferred to the "General Reserve". When the options are exercised, the Company issues new fully paid up equity shares of the Company. The proceeds received and the related balance standing to credit of the Share Option outstanding account, are credited to equity share capital (nominal value) and Securities Premium.

2.25 Segment Reporting:

Segments are identified based on the manner in which the Chief Operating Decision Maker ('CODM') decides about resource allocation and reviews performance. Segment results that are reported to the CODM include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Segment capital expenditure is the total cost incurred during the period to acquire property and equipment and intangible assets other than goodwill.

2.26 Earnings per share:

(i) Basic earnings per share

Basic earnings per share are calculated by dividing the net profit or loss before other comprehensive Income for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

(ii) Diluted earnings per share:

Diluted earnings per share adjust the figures used in the determination of basic earnings per share to take into account:

- The after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

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3A. Property, Plant and Equipment

Tangible Assets

Particulars	Gross Block				Depreciation				Net Carrying Value As at March 31, 2021
	As at March 31, 2020	Additions	Deductions/ Adjustment	As at March 31, 2021	As at March 31, 2020	For the year	Deductions/ Adjustment	As at March 31, 2021	
Freehold Land	32,734	-	6,516	4,545	-	-	-	-	4,545
Fleet	3,810	-	272	3,538	2,456	392	257	2,590	947
Buildings	9,390	-	533	3,387	1,341	235	87	712	2,676
Vehicles	4,621	14	1,159	1,098	1,003	463	487	448	650
Plant & Machinery	5,772	278	53	5,997	2,230	420	15	2,635	3,362
Computers	4,868	84	588	4,365	3,778	522	581	3,719	646
Furniture & Fittings	3,744	64	-	3,808	2,291	286	-	2,577	1,231
Office Equipments	2,272	58	10	2,320	1,819	211	10	2,020	300
TOTAL	67,211	498	9,131	29,058	14,918	2,529	1,437	1,309	14,701

(₹ In Lakhs)

Particulars	Gross Block				Depreciation				Net Carrying Value As at March 31, 2020	
	As at March 31, 2019	Additions	Deductions/ Adjustment	As at March 31, 2020	As at March 31, 2019	For the year	Reclassified on account of adoption of IND AS 116	Deductions/ Adjustment		As at March 31, 2020
Freehold Land	33,986	-	-	32,734	-	-	-	-	-	32,734
Lease hold assets	180	-	180	0	18	-	18	-	-	-
Fleet	4,327	184	-	3,810	2,674	453	-	671	2,456	1,354
Buildings	11,313	-	-	9,390	1,276	271	-	46	1,341	8,049
Vehicles	3,573	2,034	-	4,621	1,465	388	-	850	1,003	3,618
Plant & Machinery	5,451	434	-	5,772	1,803	471	-	11	2,230	3,542
Computers	4,405	786	-	4,868	3,497	588	-	308	3,778	1,090
Furniture & Fittings	4,356	226	-	3,744	2,244	490	-	84	2,291	1,453
Office Equipments	2,542	120	-	2,272	1,913	248	-	79	1,819	453
Assets taken on Finance Lease										
Vehicles	1,384	-	1,384	-	154	-	154	-	-	-
Computers	346	-	346	-	80	-	80	-	-	-
TOTAL	71,863	3,784	1,910	67,211	15,124	2,909	252	2,049	14,918	52,293

(₹ In Lakhs)

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Notes:

- The amount of Contractual commitments for acquisition of property, plant and equipment is disclosed in Note.42(II)
- Refer Note 22 and Note 26 for information on Property, Plant and Equipments pledged as securities by the Company.
- The group has not capitalised any borrowing cost during the year
- The group has decided to provide 100 per cent depreciation on the assets having written down value less than ten thousand rupees, resulting in additional depreciation of ₹81 lakh during the year.
- Refer Note 19 for detailed information on assets held for sale.

3B. Right of use Assets (ROU)

Particulars	Gross Block				Depreciation			Net Carrying Value As at March 31, 2021
	As at March 31, 2020	Additions	Deductions/ Adjustment	As at March 31, 2021	For the year	Deductions/ Adjustment	As at March 31, 2021	
Leasehold Land	1,034	-	-	910	66	11	68	843
Buildings	7,127	456	244	7,339	1,026	1,061	2,033	5,305
Vehicles	1,367	-	33	1,334	323	169	480	855
Computers	346	-	-	346	150	70	220	126
Others	162	-	-	162	9	9	18	144
Total	10,036	456	277	10,091	1,574	1,320	2,818	7,273

(₹ In Lakhs)

Particulars	Gross Block			Depreciation			Net Carrying Value As at March 31, 2020	
	As at April 01, 2019	Additions	Deductions/ Adjustment	As at March 31, 2020	As at April 01, 2019	For the year		Deductions/ Adjustment
Leasehold Land*	1,034	-	-	1,034	55	11	66	968
Buildings	7,126	-	-	7,127	-	1,026	1,026	6,100
Vehicles*	1,384	-	17	1,367	154	173	323	1,044
Computers*	346	-	-	346	80	70	150	196
Others	180	-	18	162	-	9	9	153
Total	10,070	-	35	10,036	289	1,289	1,574	8,461

(₹ In Lakhs)

* Opening balances reclassified on adoption of Ind AS 116.

Notes:

- The aggregate depreciation expenses on Right of use asset (ROU) is included under depreciation and amortization expenses in the Statement of Profit and Loss.
- The group obligation under leases are secured by lessor's title to the leased assets.

Notes to Consolidated Financial Statements

for the Year ended March 31, 2021

4. Goodwill

	(₹ In Lakhs)	
	As at March 31, 2021	As at March 31, 2020
Goodwill	44,688	44,688
Less: Impairment on goodwill	(2,108)	(2,108)
Total	42,580	42,580

5. Other Intangible Assets

Particulars	Gross Block			Depreciation		Net Carrying Value	
	As at March 31, 2020	As at March 31, 2021	Deductions/ Adjustment	As at March 31, 2020	For the year	As at March 31, 2021	As at March 31, 2021
Computer Software	1,315	1,680	-	961	164	1,125	555
Total	1,315	1,680	-	961	164	1,125	555

Particulars	Gross Block			Depreciation		Net Carrying Value	
	As at March 31, 2019	As at March 31, 2020	Deductions/ Adjustment	As at March 31, 2019	For the year	As at March 31, 2020	As at March 31, 2020
Computer Software	1,092	1,315	-	791	170	961	355
Total	1,092	1,315	-	791	170	961	355

Notes:

- The amount of Contractual commitments for acquisition of Intangible Assets is disclosed in Note- 42(II)
- The group has not capitalized any borrowing cost during the year. (March 31, 2020 - Nil)
- The group has decided to provide 100 per cent depreciation on the assets having written down value less than ten thousand rupees, resulting in additional depreciation of ₹1 lakh during the year.

6. Intangible Assets under Development

	(₹ In Lakhs)	
	As at March 31, 2021	As at March 31, 2020
	-	207
	-	207
	-	110
	-	97
Total	-	207

Notes:

Expenses during the year capitalised in respect of Intangible Assets under Development

- Employee Benefit expenses
- Other expenses

Notes to Consolidated Financial Statements

for the Year ended March 31, 2021

7. Investments

(₹ In Lakhs)

	As at March 31, 2021		As at March 31, 2020	
	Numbers / Units	Amount	Numbers / Units	Amount
Investments at Fair Value through Profit and Loss				
1. Investments in Equity Instruments (Unquoted)				
Amrit Jal Ventures Pvt Ltd. of ₹10/-each	-	-	-	-
Brown Tape Technology Pvt Ltd of ₹10 /- each	-	-	14,451	-
Total		-		-
2. Investments in Preference shares:				
0.001% Compulsory convertible cumulative preference share of Brown Tape Technology Pvt Ltd. of ₹20/- each	-	-	4,256	-
Total		-		-
Total (1+2)		-		-

Aggregate amount of Quoted and Unquoted Investments, Market value of Quoted Investments are given as below:

(₹ In Lakhs)

	As at March 31, 2021	As at March 31, 2020
Aggregate Market Value of Quoted Investments	-	-
Aggregate carrying cost of Quoted Investments	-	-
Aggregate carrying cost of Unquoted Investments	-	-

Note:

Based on the valuation being done internally/ by independent agencies the valuation for Investments at Fair Value through Profit and Loss is considered to be Nil (Previous year Nil)

8. Loans

(₹ In Lakhs)

	As at March 31, 2021	As at March 31, 2020
Unsecured, Considered Good		
Security Deposits	-	5
Advances and Deposit with others	538	555
Total	538	560

9. Deferred tax Assets (Net)

(₹ In Lakhs)

	As at March 31, 2021	As at March 31, 2020
MAT Credit	16	16
Deferred Tax Asset (Net)	2,424	623
Total	2,440	639

Notes to Consolidated Financial Statements

for the Year ended March 31, 2021

9.1. Movement in Deferred Tax Assets and Liabilities during the year ended March 31, 2020 and March 31, 2021

(₹ In Lakhs)

Deferred Tax Balance in relation to	As at March 31, 2020	Recognised In Statement of Profit & Loss	Recognised In Other Comprehensive Income(OCI)	As at March 31, 2021
Deferred Tax Assets/(Liabilities)				
Property, plant and equipment	(552)	1,269		717
Allowances for Doubtful Receivables	802	233		1,035
Employee benefits - Gratuity and Leave Encashment	306	(14)	83	375
Other temporary Differences	67	230		297
MAT Credit Entitlement (Net)	16	-		16
Deferred Tax liabilities adjustment	-	-	-	-
Deferred Tax Assets/(Liabilities)	639	1,718	83	2,440

(₹ In Lakhs)

Deferred Tax Balance in relation to	As at March 31, 2019	Recognised In Statement of Profit & Loss	Recognised In Other Comprehensive Income(OCI)	As at March 31, 2020
Deferred Tax Assets/(Liabilities)				
Property, plant and equipment	(692)	140		(552)
Allowances for Doubtful Receivables	718	84		802
Employee benefits - Gratuity and Leave Encashment	381	(101)	26	306
Other temporary Differences	(3)	70	-	67
MAT Credit Entitlement (Net)	-	-	-	16
Deferred Tax liabilities adjustment	-	-	-	-
Deferred Tax Assets/(Liabilities)	404	192	26	639

10. Non-Current Tax Assets (Net)

(₹ In Lakhs)

	As at March 31, 2021	As at March 31, 2020
Tax Deducted at Source	15,178	16,027
Advance Tax	1,236	2,375
Provision for Income Tax	(8,079)	(8,803)
Total	8,335	9,599

11. Other Non Current Assets

(₹ In Lakhs)

	As at March 31, 2021	As at March 31, 2020
Capital Advance		
Unsecured, considered good	52	36
Unsecured, considered doubtful	159	159
	211	195
Less: Allowance for doubtful advances	(159)	(159)
	52	36
Deferred employee stock option compensation	-	1
Balances with statutory Authorities	137	154
Prepaid Expenses	26	54
Pre-Operative Expenses	-	9
Others	94	-
Total	309	254

Notes to Consolidated Financial Statements

for the Year ended March 31, 2021

12. Inventories

(₹ In Lakhs)

	As at March 31, 2021	As at March 31, 2020
(At Lower of the cost or Net realisable value)		
Stock-in-Trade	389	947
Less: - Provision on Stock-in-Trade	(14)	-
Stores and spares	7	16
Total	382	963

Note: No inventories were pledged as security for liabilities during the period and comparable period.

13. Investments

(₹ In Lakhs)

	As at March 31, 2021	As at March 31, 2020
Investment at Fair Value through Profit & Loss (Quoted)		
ICICI Pru Liquid Fund-Growth: Nil (31 Mar 2020: 688674.405) Units	-	2,014
IDFC Money Manager Fund-Regular - Growth: Nil (31 Mar 2020: 3305779.538) Units	-	1,010
Kotak Liquid Fund-Regular- Growth: Nil (31 Mar 2020: 50321.993) Units	-	2,013
L&T Money Market Fund-Regular - Growth: Nil (31 Mar 2020: 10124531.74) Units	-	2,014
PGIM India Insta Cash Fund - Growth: Nil (31 Mar 2020: 284301.624) Units	-	731
Total	-	7,782

(₹ In Lakhs)

	As at March 31, 2021	As at March 31, 2020
Aggregate Market Value of Quoted Investments	-	7,782
Aggregate carrying cost of Quoted Investments	-	7,720

14. Loans

(₹ In Lakhs)

	As at March 31, 2021	As at March 31, 2020
Unsecured, Considered Good		
Security Deposits	2,005	2,122
Loan to Others	38	-
Total	2,043	2,122

15. Trade receivables

(₹ In Lakhs)

	As at March 31, 2021	As at March 31, 2020
Unsecured		
Considered Good	19,546	20,534
Credit Impaired	4,275	3,370
	23,821	23,904
Less: Allowance for Doubtful Receivables (Refer Note: 48C)	4,275	3,370
Total	19,546	20,534

Note:

- i) No Trade receivables are due from directors and other officers of the company either severally or jointly with any other person.
- ii) For details of debts due from firms or private companies in which any director is a partner, a director or a member, Refer Note 51 of related party transactions.
- iii) The Carrying amount of trade receivables is pledged as security for borrowings. (Refer Note 26)
- iv) Trade Receivables are non interest bearing and are generally on terms of 30 to 90 days.

Notes to Consolidated Financial Statements

for the Year ended March 31, 2021

16A. Cash and Cash Equivalents

	(₹ In Lakhs)	
	As at March 31, 2021	As at March 31, 2020
Cash in hand	39	81
Balances with Banks:		
In Current Accounts	4,129	3,137
Deposits with original maturity of less than three months	79	148
Total	4,247	3,366

16B. Bank Balances other than 16A above

	(₹ In Lakhs)	
	As at March 31, 2021	As at March 31, 2020
Deposits with original maturity of more than three months and less than twelve months	1,073	1,391
Balances with Bank held as margin money/ security	222	10
Unpaid Dividend account	86	92
Total	1,381	1,493

17. Other Financial assets

	(₹ In Lakhs)	
	As at March 31, 2021	As at March 31, 2020
(Unsecured, considered good unless otherwise stated)		
Accrued Interest on Deposits, Loan and investments (Includes doubtful receivable ₹2157 Lakhs, PY ₹2157 Lakhs)	2,176	2,184
Less: Allowance for doubtful receivable	(2,157)	(2,157)
	19	27
Security Deposits	3	14
Earnest Money Deposits	10	10
Advance to Employees	16	25
Other Advances receivable (Includes doubtful receivable ₹2,319 Lakhs, PY ₹60 Lakhs) (Refer note 53 & 54)	2,505	2,913
Less: Provision on Other Advances receivable	(2,319)	(60)
Total	234	2,929

18. Other current assets

	(₹ In Lakhs)	
	As at March 31, 2021	As at March 31, 2020
(Unsecured, Considered good unless otherwise stated)		
Advance against Supply of Goods and Services (Includes doubtful receivable ₹497 Lakhs, PY ₹269 Lakhs)	3,273	1,665
Less: Provision for doubtful advances (Refer note 54)	(497)	(269)
	2,776	1,396
Prepaid Expenses	379	415
Balances with Government Authorities	352	422
Others	-	35
Total	3,507	2,268

Notes to Consolidated Financial Statements

for the Year ended March 31, 2021

19. Assets held for sale

(₹ In Lakhs)

	As at March 31, 2021	As at March 31, 2020
A) Property, Plant & Equipment		
Land & Building	14,285	2,576
Plant & Machinery	59	59
Furniture & Fixtures	327	327
Office Equipment	47	47
Commercial vehicles	1,270	-
Total	15,988	3,009

Note-Refer Note 22 for information on Property, Plant and Equipments pledged as securities by the group.

B) Investments

(₹ In Lakhs)

	As at March 31, 2021		As at March 31, 2020	
	Number	Amount	Number	Amount
i) Investment in an Associate				
Gati Ship Ltd. of ₹10/- each	48,00,000	8,623	48,00,000	8,623
Less: Impairment Allowance		(8,623)		(8,623)
		-		-
		-		-
ii) Investments in Optionally Convertible Debentures: (Unquoted)				
14.5% Unsecured OCD of Amrit Jal Ventures Pvt Ltd. of ₹100 /- each	34,57,236	-	34,57,236	-
14.5% Unsecured OCD of Gati Infrastructure Sada-Mangder Power Pvt Limited of ₹100/- each	9,93,354	-	9,93,354	-
		-		-
		-		-
Grand Total (i+ii)		-		-

The Board has approved the disposal of the above Property Plant & Equipment and investments and transaction is expected to complete within the near term.

20. Equity Share Capital

(₹ In Lakhs)

	As at March 31, 2021		As at March 31, 2020	
	Number	Amount	Number	Amount
Authorized:				
Equity Shares of ₹2/- each	17,50,00,000	3,500	12,50,00,000	2,500
Redeemable Preference Shares ₹100/- each	-	-	5,00,000	500
		3,500		3,000
Issued:				
Equity Shares of ₹2/- each fully paid up	12,19,45,977	2,439	12,19,45,977	2,439
		2,439		2,439
Subscribed and Paid-up:				
Equity Shares of ₹2/- each fully paid up	12,19,45,977	2,439	12,19,45,977	2,439

Notes to Consolidated Financial Statements

for the Year ended March 31, 2021

(₹ In Lakhs)

	As at March 31, 2021		As at March 31, 2020	
	Number	Amount	Number	Amount
		2,439		2,439

a) Terms /Rights attached to Shareholder

The Company has only one class of issued shares i.e. Equity Shares having par value of ₹2 /- per share. Each holder of Equity Shares is entitled to one vote per share and ranks pari passu. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after payment of all preferential amounts, in proportion to their shareholding.

b) Reconciliation of equity shares outstanding at the beginning and at the end of the year:

(₹ In Lakhs)

Equity Shares of ₹2 each fully paid	As at March 31, 2021		As at March 31, 2020	
	No. of Shares	Amount	No. of Shares	Amount
Shares at the beginning of the year	12,19,45,977	2,439	10,85,42,137	2,171
Shares issued on exercise of Employee Stock Option Scheme	-	-	70,500	1
Share issued on allotment	-	-	1,33,33,340	267
Shares at the end of the year	12,19,45,977	2,439	12,19,45,977	2,439

c) Details of shareholders holding more than 5% of the aggregate shares in the Company:

Name of Share holder Equity Shares of ₹2 each fully paid held by	As at March 31, 2021		As at March 31, 2020	
	No. of Shares	% of holding	No. of Shares	% of holding
Allcargo Logistics Limited	5,71,45,955	46.86%	2,54,03,340	20.83%
Bay Capital India Fixed Income Fund Ltd.	-	-	68,85,335	5.65%
Mr. Mukul Mahavir Agrawal	63,01,596	5.17%	-	-
Total	6,34,47,551	52.03%	3,22,88,675	26.48%

d) Equity Shares have been reserved for issue under options and contracts/commitments for the sale of shares/disinvestment as at the Balance Sheet date:

i) No options (Equity Shares of ₹2 each) are reserved under employee stock option scheme as on March 31, 2021 (Previous year 1,11,000 as on March 31, 2020). All the outstanding stock options under Employee Stock Option Scheme were cancelled during the Year.

(₹ In Lakhs)

Equity Shares of ₹2 each fully paid	As at March 31, 2021		As at March 31, 2020	
	No. of Equity Shares to be issued as fully paid up	Amount	No. of Equity Shares to be issued as fully paid up	Amount
Employee stock option granted and Outstanding	-	-	1,11,000	2
Total	-	-	1,11,000	2

e) The company has neither allotted any equity shares for consideration other than cash nor has issued any bonus shares nor has bought back any shares during the period of five years preceding the date at which Balance Sheet is prepared.

f) No calls are unpaid by any directors or officers of the company during the year.

Notes to Consolidated Financial Statements

for the Year ended March 31, 2021

21. Other Equity

(₹ In Lakhs)

	As at March 31, 2021	As at March 31, 2020
a) Securities Premium	34,100	34,100
b) General Reserve	10,505	10,460
c) Capital Reserve	2,084	2,084
d) Tonnage Tax Reserve (Utilized)	929	929
e) Share Option Outstanding account	-	45
f) Special Reserve	14,707	14,707
g) Retained Earning	(12,254)	10,636
h) Other Comprehensive Income	-	(1,088)
Total Other Equity	50,071	71,873

A The Description, Nature and Purpose of each reserve under other equity are as follows

- a) **Securities Premium:** Securities premium is used to record the premium on issue of equity shares. The same can be utilised in accordance with the provisions of the Companies Act, 2013.
- b) **General Reserve:** This reserve is the retained earnings of the company, which are kept aside out of the group profit to meet future (known or unknown) obligations.
- c) **Capital Reserve:** Capital Reserve includes amount received on allotment of convertible warrants was forfeited and transferred to Capital Reserve Account.
- d) **Tonnage Tax Reserve (Utilised):** This reserve is a statutory reserve which is created and will be utilized in accordance with the provisions of Section 115VT of Income tax Act 1961 to comply with the provisions of 'Tonnage Tax Scheme' under Chapter XII-G.
- e) **Share option outstanding account:** The share options outstanding account is used to record the value of equity- settled share based payment transactions with employees. The amount recorded in the share options outstanding account are transferred to securities premium upon exercise of stock options by employees. The amount outstanding in the "Share Option Outstanding account" has been transferred to "General Reserve", when the options are lapsed / cancelled .
- f) **Special Reserve:** The Hon'ble Andhra Pradesh High Court, approved the Scheme of Arrangement for amalgamation. (The Scheme) vide its Order dated March 19, 2013 which interalia, permits creation of a capital reserve to be called Special Reserve to which shall be credited excess of value of assets over value of liabilities on amalgamation of the subsidiaries amounting to ₹55,554 Lakhs to be utilized by the Company to adjust therefrom any capital losses arising from transfer of assets and certain other losses, any balance remaining in the Special Reserve shall be available for adjustment against any future permanent diminution in the value of assets and exceptional items etc. as specified in the Scheme as the Board of directors may deem fit.
- g) **Retained Earnings:** Retained earnings comprise of net accumulated profit/ (loss) of the group, after declaration of dividend.
- h) **Other Comprehensive Income**
 - i) **Equity Instrument through OCI:** The company has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the equity instruments through OCI shown under the head other equity. The company transfer amounts to retained earnings when the relevant equity securities are derecognised.
 - ii) **Foreign Currency Translation Reserve:-** Exchange differences relating to the translation of the results and net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e. ₹) are recognized directly in the other comprehensive income and accumulated in foreign currency translation reserve.

Notes to Consolidated Financial Statements

for the Year ended March 31, 2021

22. Borrowings

(₹ In Lakhs)

	As at March 31, 2021		As at March 31, 2020	
	Non- Current	Current maturities	Non- Current	Current maturities
Secured				
Non-convertible debentures ("NCD")	-	9,107	-	8,385
Term Loan From Banks	2,145	930	7,830	4,891
Term Loan From Financial Institutions	68	173	1,360	594
Sub Total (A)	2,213	10,210	9,190	13,870
Unsecured -				
Fixed deposits (From Public)	407	256	515	753
Amount disclosed under the head "Other Financial Liabilities" (Refer Note.28)		(10,466)	-	(14,623)
Sub Total (B)	407	(10,210)	515	(13,870)
Total (A+B)	2,620	-	9,705	-

i) Details of non-convertible debentures

The Group has issued 590 (31 March 2020: 590) secured, rated, redeemable, transferable, non-convertible debentures (NCD) of face value of ₹10 lakhs each fully paid up to Mandala Agribusiness Investments II Ltd ("the Debenture Holders"). The Group has allotted 350 NCD on 29 February 2016; 180 NCD on 01 January 2015 and 60 NCD on 09 October 2014.

The NCDs are secured by way of first charge on all the assets of the subsidiary company, Gati Kausar India Limited, other than exempted assets (as defined in the Bond Subscription Agreement) and second charge on the exempted assets. Further, Gati limited has pledged 2,562,826 equity shares of ₹10 each held in the Group.

NCDs carry a coupon rate of 5.65% (March 31, 2020: 5.65%) per annum payable on quarterly basis. These NCDs are redeemable at a premium at the end of five years from the date of issue. The redemption premium is 8% per annum and shall (if not voluntarily paid annually) be compounded annually up to the date of redemption. The Group has option to extend the term of a portion of NCDs by a period of two years subject to certain conditions laid out in the Bond Subscription Agreement. Also, under certain circumstances, the Group has an option to redeem the NCDs at any time after expiry of one year from the date of the issue.

During the year, the Debenture Holders have extended the due date for repayment of (i) outstanding NCD's along with redemption premium; and (ii) quarterly interest on the NCD's from quarter ended March 2020 onwards to 30 September 2021.

ii) Particulars of Nature of security

(₹ In Lakhs)

Bank Name / Note No	ROI	Number of Instalments pending/Type of instalments	Instalment Amount	Starting Date	Outstanding Amount
Kotak Mahindra Bank Ltd (Note - A)	MCLR + 100 BPS	23/Monthly	40	25-Apr-18	931
Kotak Mahindra Bank Ltd - ECGL loan (Note - B)	8.00%	48/Monthly	8	25-Feb-22	388
Syndicate Bank (Note - C)	MCLR+125bps	1/Quarterly	125	10-Jun-19	125
Federal Bank - ECGL loan (Note - D)	7.50%	47/Monthly EMI	23	25-Apr-22	939
TATA Capital Financial services limited (Note - E)	LTLR less 9.25%	16/Monthly EMI	10	29-Jun-19	147
Vehicle Loan (Note - F)	7.5% - 10.10%	EMI			791
Unwinding interest on term loan					(5)

Notes: Particulars of Nature of security/Pledge

- First and exclusive charge by way of mortgage of Immovable property situated at Samalka, New Delhi which is classified as held for sale during the year.
- The collateral being second charge on all primary and collateral securities available for the existing facilities with the bank.
- The primary security being subservient charge on current assets and fixed assets of the company to the extent of 100% coverage on loan amount and collateral being property at Peenya, Bangalore. The above term loan is guaranteed by the Gati limited.
- The collateral being second charge on all primary and collateral securities available for the existing facilities with the bank.
- The underlying assets are hypothecated against the term loan(equipment financing).
- Vehicles are hypothecated against the Vehicle loans from Banks & other financial institutions.

Notes to Consolidated Financial Statements

for the Year ended March 31, 2021

23. Lease Liabilities

(₹ In Lakhs)

	As at March 31, 2021		As at March 31, 2020	
	Non - Current	Current Maturities	Non - Current	Current Maturities
Lease Liabilities (Refer Note 43)	6,040	1,137	6,928	990
Total	6,040	1,137	6,928	990

24. Other Financial Liabilities

(₹ In Lakhs)

	As at March 31, 2021	As at March 31, 2020
Security Deposit	-	45
Interest accrued but not due on borrowings	24	22
Total	24	67

25. Provisions

(₹ In Lakhs)

	As at March 31, 2021	As at March 31, 2020
Employee Benefits		
Gratuity (Refer Note No.44)	741	494
Leave Encashment	355	314
Total	1,096	808

26. Borrowings

(₹ In Lakhs)

	As at March 31, 2021	As at March 31, 2020
Secured		
i) Working Capital facilities from Banks		
- Cash Credit	14,516	15,388
Grand Total	14,516	15,388

- (i) Working Capital Borrowings in rupees is secured by book debts and other current assets of the company on pari-passu charge with all working capital lenders under multiple banking arrangement. Weighted average rate of interest is 8.86%.
- (ii) This includes cash credit of GATI Kausar India Limited (GKIL), a subsidiary company, is secured by hypothecation of specific vehicles of the Company and charge on the current assets along with the corporate guarantee extended by Gati Limited. The loan is repayable on demand and carries an interest rate of 10.00% (March 31, 2020: 10.55%) per annum.

27. Trade Payables

(₹ In Lakhs)

	As at March 31, 2021	As at March 31, 2020
For Goods and Services		
Total Outstanding dues of micro and small enterprises (Refer Note 46)	345	117
Total Outstanding dues of creditors other than micro and small enterprises (Including acceptances)		
(a) Acceptances	128	1,356
(b) Others	8,435	10,161
Total	8,908	11,634

Notes to Consolidated Financial Statements

for the Year ended March 31, 2021

28. Other financial liabilities

	(₹ In Lakhs)	
	As at March 31, 2021	As at March 31, 2020
Current Maturities of Long-term borrowings - Term Loan (Refer Note.22)	10,466	14,622
Security Deposits	2,868	2,563
Interest accrued but not due on Borrowings	479	206
Unpaid dividends*	86	92
Employee Related Liabilities	3,462	1,780
Unpaid matured deposits and interest accrued thereon	94	116
Liability towards guarantee invoked	2,360	2,360
Others	811	509
Total	20,626	22,248

* Due to technical issues the Company could not transfer the unclaimed dividend amount of ₹7 Lakhs to Investor Education and Protection Fund pertaining to the financial year 2012-13. The said amount has been transferred to Investor Education and Protection Fund post Balance sheet date.

29. Other current liabilities

	(₹ In Lakhs)	
	As at March 31, 2021	As at March 31, 2020
Statutory dues payable	1,727	1,321
Other Advances	3,393	1,914
Total	5,120	3,235

30. Current Tax Liabilities

	(₹ In Lakhs)	
	As at March 31, 2021	As at March 31, 2020
Provision for income tax	2,257	3,559
Total	2,257	3,559

31. Provisions

	(₹ In Lakhs)	
	As at March 31, 2021	As at March 31, 2020
Provision for Employee Benefits		
Gratuity (Refer Note 44)	251	99
Leave Encashment	138	90
Total	389	189

32. Revenue from Operations

	(₹ In Lakhs)	
	Year ended March 31, 2021	Year ended March 31, 2020
Sale of Services		
Freight, Ecom, Demurrage and Miscellaneous services	1,06,136	1,31,138
Sale of Products		
Sale of Diesel, Petrol and Lubricants & Others	24,976	39,350
Total (A)	1,31,112	1,70,488
Other Operating Revenue		
Other Recoveries	312	679
Total (B)	312	679
Grand total (A+B)	1,31,424	1,71,167

Notes to Consolidated Financial Statements

for the Year ended March 31, 2021

A. Revenue from contracts with customers disaggregated based on revenue stream and by reportable segment

(₹ In Lakhs)

	Year ended March 31, 2021	Year ended March 31, 2020
Revenue based on product & services		
a) Express Distribution	1,06,084	1,31,078
b) Fuel Stations	24,480	27,507
c) Others	548	11,903
Other Operating Revenues	312	679
Total	1,31,424	1,71,167
Revenue based on Geography		
India	1,30,732	1,67,238
Overseas	692	3,929
	1,31,424	1,71,167
Reconciliation of Revenue from Operation with contract price		
Revenue as per contract price	1,35,729	1,75,321
Less:		
Discounts	(95)	(134)
Credit note	(1,925)	(2,409)
Undelivered shipments	(2,597)	(2,290)
Revenue from Operations	1,31,112	1,70,488

Transaction Price - Unsatisfied Performance Obligation

The Company's unsatisfied performance obligations mainly arises on account of undelivered shipments. The aggregate value of transaction price allocated to the unsatisfied performance obligations as at March 31, 2021 is ₹2,597 lakhs, which is expected to be recognised during next year.

The Company recognizes revenue at a point in time. Contract with customers are of short-term duration and all sales are direct to customers.

B. Contract Balances

(₹ In Lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Contract Assets	238	182
Trade Receivables	23,821	23,904
Less: Impairment allowances	4,275	3,370
Total	19,546	20,534

Contract asset is the right to consideration in exchange for goods or services transferred to the customer. Contract liability is the entity's obligation to transfer goods or services to a customer for which the entity has received consideration from the customer in advance. Contract assets are transferred to receivables when the rights become unconditional and contract liabilities are recognised as revenue as and when the performance obligation is satisfied.

33. Other Income

(₹ In Lakhs)

	Year ended March 31, 2021	Year ended March 31, 2020
Interest income on		
Deposit with Bank and Others	159	198
Refund of Income tax	309	86
Other Non Operating Income		
Rental Income	172	294
Net Foreign Exchange Gain	-	15
Net Gain on disposal of Property, plant & equipment	-	97

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for the Year ended March 31, 2021

	(₹ In Lakhs)	
	Year ended March 31, 2021	Year ended March 31, 2020
Net Gain on sale of investments*	111	-
Liabilities no longer required - written back	126	470
Gain on Sale of Mutual Funds	80	-
Net Gain on Investments measured at FVTPL	-	62
Miscellaneous Income	84	104
Total	1,041	1,326

(* Gain of ₹111 lakhs has been recognised on the disposal of investment in the Brown Tape Technology Pvt Ltd. No gain has been recognized during the current financial year for additional consideration which is not virtually certain (Refer note 42(III)).

34. Operating Expenses

	(₹ In Lakhs)	
	Year ended March 31, 2021	Year ended March 31, 2020
Freight	60,612	76,719
Fleet Running Expenses	2,100	2,804
Vehicles' trip expenses	4,762	6,240
Handling Charges	1,791	2,432
Tyres and Tubes	71	59
Supply Chain Management services	3,318	4,048
Claims for Loss & Damages (Net)	749	900
Vehicles' taxes	50	55
Vehicles' and ships Insurance	65	41
Power, Fuel and Water Expenses	109	111
Stores and Spare Parts Consumed	93	176
Other Operating Expenses	969	1,407
Total	74,689	94,992

35. Changes in Inventories of Stock-in-Trade

	(₹ In Lakhs)	
	Year ended March 31, 2021	Year ended March 31, 2020
Opening Stock:		
Stock-in-trade	947	1,175
	947	1,175
Less: Purchase returns	(223)	-
Less: Closing Stock		
Stock-in-trade	389	947
	612	947
(Increase)/ Decrease in Inventories of Stock-in-trade	335	228

Note:- Consumption of stores and spares in a subsidiary "Gati Kausar India Limited", has been considered in other expenses.

36. Employee benefits expense

	(₹ In Lakhs)	
	Year ended March 31, 2021	Year ended March 31, 2020
Salaries, Wages & Bonus	15,062	17,166
Contribution to Provident fund and other funds	960	1,320
Expenses on Employee Stock Option scheme	1	(9)
Staff Welfare Expenses	268	354
Total	16,291	18,831

Notes to Consolidated Financial Statements

for the Year ended March 31, 2021

37. Finance Costs

(₹ In Lakhs)

	Year ended March 31, 2021	Year ended March 31, 2020
Interest Expense on		
Term Loans and Working Capital facilities	3,455	4,300
Public Deposits	104	130
Lease Obligation	910	859
Tax Matters	-	10
Others borrowing cost	45	65
Total	4,514	5,364

38. Depreciation and amortization expense

(₹ In Lakhs)

	Year ended March 31, 2021	Year ended March 31, 2020
Depreciation on Property Plant & Equipment (Refer Note 3A)	2,529	2,911
Depreciation on Right of use Asset (Refer Note 3B)	1,320	1,289
Amortisation of Intangible Assets (Refer Note 5)	164	170
Total	4,013	4,370

39. Other expenses

(₹ In Lakhs)

	Year ended March 31, 2021	Year ended March 31, 2020
Lease Rental (Refer Note 43)	4,795	5,312
Rates and Taxes	482	416
Insurance	184	161
Telephone expenses	105	205
Printing and Stationery	225	329
Travelling expenses	198	659
Professional and Consultancy Charges	1,343	687
Advertisement Expenses	76	268
Electricity	769	959
Office maintenance	1,462	1,786
Bank Collection charges	25	144
Director Sitting fees	26	40
Corporate Social Responsibility Expenditure (Refer Note 39.1)	77	74
Payment to Auditors [Refer Note: 39.2]	62	88
Allowance for Doubtful Receivables	1,158	1,056
Bad debts and irrevocable balances written off	393	666
Less: Provision for loss allowances recognised in earlier years	(291)	(94)
Provision on Stock-in-Trade	14	-
Provision towards Advance	219	336
Service tax Amnesty Scheme	-	382
Management Fee	27	-
IT Network Expenses	512	512
Charity and Donations	-	51
Net Foreign Exchange loss	9	-
Repairs and Maintenance	697	1,008
Loss on Sale of Fixed Assets (Net)	28	-
Miscellaneous expenses	880	1,382
Total	13,475	16,427

Notes to Consolidated Financial Statements

for the Year ended March 31, 2021

39.1 Corporate Social Responsibility Expenditure

- (a) During the year, the company has incurred ₹77 lakhs (previous year ₹74 lakhs) on account of Corporate Social Responsibility (CSR) included under Other Expenses.
- (b) Gross Amount required to be spent by the company during the year is ₹77 lakhs.
- (c) Amount of ₹77 lakhs, approved by the board to be spent during the year
- (d) Amount spent during the year on:

Particulars	(₹ In Lakhs)	
	Year ended March 31, 2021	Year ended March 31, 2020
i) Construction/Acquisition of any asset	-	-
ii) On purpose other than (i) above	77	74
	77	74

- (e) **Unspent Amount:**

Particulars	(₹ In Lakhs)
Opening Balance as on April 01, 2020	339
Amount deposited in specified fund of schedule VII within 6 months	-
Amount required to be spent during the year	77
Amount spent during the year	77
Closing Balance as on March 31, 2021	339

39.2 Payment to auditor (Excluding Goods and Services Tax)

	(₹ In Lakhs)	
	Year ended March 31, 2021	Year ended March 31, 2020
Statutory Audit fees	42	43
Taxation Matters		12
Other Matters	20	33
Total	62	88

40. Exceptional Items

	(₹ In Lakhs)	
	Year ended March 31, 2021	Year ended March 31, 2020
Loss On Asset Held for Sale Classification	15,347	-
Loss on Sale of Fixed Assets (Net)	1,756	-
Provision towards advance (Refer Note 54)	2,256	-
Loss on Sale of Investments	1,127	-
Total	20,486	-

The Exceptional items (non-cash, non-recurring) of ₹20,486 lakhs represents;

- a) Diminution amounting to ₹17,103 lakhs in the present fair value of the assets sold during the year and proposed to be sold which is disclosed as "Assets held for Sale".
- b) Overdue advances amounting to ₹1,846 Lakhs given to few parties in earlier years have been fully provided in the current financial year.
- c) Past receivable of ₹410 lakhs from Air India remains sub-judice before Hon'ble High Court of New Delhi. Same has been provided for during the current financial year.
- d) The wholly owned subsidiary i.e., Gati Asia Pacific Pte Ltd (GAP) and it's two step down subsidiaries ceased to be a subsidiary with effect from August 16, 2020 after the transfer of investment to AllCargo Belgium N.V & Wingdom APAC Ltd, Hongkong, loss of which is ₹1,127 lakhs (Refer Note 61)

Notes to Consolidated Financial Statements

for the Year ended March 31, 2021

41. TAX EXPENSES

(₹ In Lakhs)

	Year ended March 31, 2021	Year ended March 31, 2020
Income Tax recognised in Statement of Profit and Loss		
Current Tax	-	141
Deferred Tax	(1,718)	(192)
Income Tax for earlier years (Refer Note. 42(e))	1,054	3,635
Total	(664)	3,584

41.1 Reconciliation of Income Tax expense for the year with book profits

(₹ In Lakhs)

	Year ended March 31, 2021	Year ended March 31, 2020
Profit before Tax	(25,257)	(4,843)
Applicable Tax Rate*	34.944%	34.944%
Tax Expense	(8,826)	(1,692)
Tax Effect of:		
Expenses non-deductible for tax purposes	7,886	138
Exempted income & Expenses allowable for tax purposes	(1,484)	(391)
Reversal of opening deferred tax due to change in tax rate	-	113
Other differences (Including effect of non recognition of Deferred Tax Asset)	(441)	1,030
Difference in tax rates of subsidiary companies	1,147	751
Tax Expense in Statement of Profit and Loss*	(1,718)	(51)

Effective Tax Rate*

* Excludes effect of adjustment of ₹1,054 Lakhs (PY 3,635 lakhs) on account of tax related to earlier year

- i) Under the new section of Income tax Act 115BBA of the Income Tax Act, 1961 as introduced by the Taxation laws (Amendment) Ordinance, 2019 the Company has an Option to avail of the reduced tax rate. The Company has significant MAT credit pertaining to previous years as of date. Hence the company will consider the matter after availing the MAT credit in future. The major Subsidiary, GKEPL has opted to exercise the option permitted under law and has taken 25.168% rate of corporate tax in its accounts. (i) Accordingly, the company has recognized provision for income tax for the year ended March 31, 2021 and re-measured its deferred tax assets/liabilities on the basis of above option.

42. Contingent liabilities and Commitments

(I) Contingent Liabilities (to the extent not provided for)

(₹ In Lakhs)

	As at March 31, 2021	As at March 31, 2020
(a) Claim against the Company not acknowledged as debt		
(i) Income tax Demand disputed in appeals (Includes amount paid under protest and Adjustments of ₹1,991 Lakhs, Previous year - ₹1388 Lakhs)*	4,824	5,901
(ii) Indirect Tax demand disputed in appeals (Includes amount paid under protest ₹11 Lakhs, previous year - ₹11 Lakhs)	4,748	4,748
(iii) Others	501	836
Total	10,073	11,485

- (i) Pending resolution of the respective proceedings, it is not practicable for the Group to estimate the timings of cash outflows, if any, in respect of the above as it is determinable group only on receipt of judgments / decisions pending with various forums / authorities.

Notes to Consolidated Financial Statements

for the Year ended March 31, 2021

- (ii) The Group has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its Consolidated financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its Group's financial position. Also, the Group does not expect any reimbursement in respect of the above contingent liabilities.

(* Subsequently, The Company has paid ₹65 lakhs under protest against the Income tax demand of ₹321 lakhs for the assessment year 2018-19, which is included in the above shown contingent liability.

(b) Bank Guarantee

369

231

(* Bank Guarantee is issued to meet certain business obligations towards govt agencies and certain customers.

- (c) There has been a Supreme Court (SC) judgement dated February 28, 2019, relating to components of salary structure that needs to be taken into account while computing the contribution to provident fund under the EPF Act. There are interpretative aspects related to the Judgement including the effective date of application. During the current year ended March 31, 2021, Company is in compliance with same. The Company will continue to assess any further developments in this matter for the implications on financial statements, if any. Further, pending decision on the subject review petition and directions from the EPFO, the impact for the past period, if any, was not ascertainable and consequently no effect was given in the accounts.
- (d) Code on Social Security, 2020 ('Code') relating to employee benefits during employment and postemployment has been notified in the official Gazette on September 29, 2020 and its effective date is yet to be notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the year the Code becomes effective.

(e) Income Tax:

- i) The Group has filed an application under The Direct Tax Vivad se Vishwas Act, 2020 ('the Scheme') related to Assessment year 2013-14. The income tax department accepted the companies' application with tax liability of ₹1,332 Lakhs under MAT provisions and necessary provision made in accounts during the year. This results in reduction of contingent liability by ₹2,111 Lakhs and there is no cash out flow on this matter as refund pertaining to earlier years has been adjusted by the department.
- ii) On a critical and objective reappraisal of the income tax demands for various years under appeal, the company based on expert legal opinion from a law firm, the company decided to take advantage under 'The Direct Tax Vivad se Vishwas Act, 2020 (the scheme). The company estimated that if an application is made and accepted by income tax department the cash out flow would be ₹3,535 Lakhs and the same was provided in books in FY 2019-20. Subsequently the Department accepted the applications of the company and the tax liability was arrived at ₹3,257 lacs. Hence, the excess provision of ₹278 lakhs was reversed during the year and the company also discharged the liability of ₹1,000 lacs against the liability provided under VsV Scheme. The following amounts are due which has to be paid by 30/06/2021 without any additional payment. The following amount are to be paid by 30/06/2021.

Assessment Year	Appeal	Tax payable under Vivad se Vishwas (₹ In Lakhs)
2009-10	Department's appeal before Income Tax Appellate Tribunal	408
2012-13	Department's appeal before Income Tax Appellate Tribunal	1672
2015-16	Taxpayers's appeal before Commissioner of Income Tax	177
Total cash outflow		2,257

(II) Commitments

	(₹ In Lakhs)	
	As at March 31, 2021	As at March 31, 2020
Commitments for Acquisition of Property, Plant and Equipment & Intangible Assets (Net of Advance)		
Towards Property plant & Equipment	20	24
Towards intangible Assets	16	62
	36	86

Notes to Consolidated Financial Statements

for the Year ended March 31, 2021

(III) Contingent Assets

	(₹ In Lakhs)	
	As at March 31, 2021	As at March 31, 2020
Additional consideration on the disposal of investment in Brown Tape Technology Pvt Ltd*	56	-
	56	-

(* In respect of the disposal of investment in Brown Tape Technology Pvt Ltd during the current financial year (Refer Note 33), additional consideration will be payable to the Group if the future performance of Brown Tape Technology reaches to a specified revenue level. Recognition of additional consideration which is not virtually certain, is dependent on the aggregate specified revenue of Brown Tape Technology for the 18-months period ending July 2022.

43. Leases

(a) The Company has lease contracts for certain items of Computers, Vehicles, Land&Buildings. The Company's obligations under leases are secured by the lessor's title to the leased assets.

(b) Movement in lease liabilities during the year ended March 31, 2021

	(₹ In Lakhs)	
	As at March 31, 2021	As at March 31, 2020
Lease liabilities at the beginning of the year	7,917	1,442
Additions	456	7,306
Interest cost accrued during the year	910	859
Payment of lease liabilities	(1,903)	(1,690)
Deletion	(203)	-
Lease liabilities at the end of the year	7,177	7,917

(c) Amount recognized in Profit or Loss

	(₹ In Lakhs)	
	As at March 31, 2021	As at March 31, 2020
Interest expense on lease liabilities	910	859
Depreciation expense of right-of-use assets	1,320	1,289
Expense relating to short term leases (included in other expenses and Operating expenses)	6,355	6,818

(d) Amounts recognised in the statement of cash flow

	(₹ In Lakhs)	
	As at March 31, 2021	As at March 31, 2020
Total cash outflow for leases	1,896	1,690

Notes to Consolidated Financial Statements

for the Year ended March 31, 2021

(e) Future payment of lease liabilities on an undiscounted basis

	(₹ In Lakhs)	
	As at March 31, 2021	As at March 31, 2020
Not later than one year	1,949	1,875
Later than one year but not later than five years	5,593	5,998
Later than five years	3,525	4,736
Total	11,067	12,609
Current lease liabilities	1,137	990
Non-current lease liabilities	6,040	6,928
Total Lease liabilities	7,177	7,918

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

Future lease commitments - All leases other than included above are of either low value or cancellable at the option of the lessee.

44. Disclosure as required under Ind AS 19 on Employee Benefits:

	(₹ In Lakhs)	
	As at March 31, 2021	As at March 31, 2020
Statement of Assets and Liabilities for defined benefit obligation		
Defined benefit asset - Gratuity Plan	540	711
Defined benefit obligation - Gratuity Plan	(1,438)	(1,269)
Total employee benefit (Liabilities)/Assets	(898)	(558)

Defined contribution

The expense for defined contribution plans amounted to ₹960 lakhs and ₹1,320 lakhs for the year ended March 31, 2021 and March 31, 2020 respectively.

Defined benefits - Gratuity

The Group provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/ termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a funded plan and the Group makes contributions to recognised funds in India.

These defined benefit plans expose the Group to actuarial risks, such as currency risk, interest risk and market (investment) risk. The Group expects to contribute ₹348 lakhs to Gratuity Fund in the next year.

Inherent risk

The plan is defined benefit in nature which is sponsored by the Group and hence it underwrites all the risks pertaining to the plan. In particular, this exposes the Company, to actuarial risk such as adverse salary growth, change in demographic experience, inadequate return on underlying plan assets. This may result in an increase in cost of providing these benefits to employees in future. Since the benefits are lump sum in nature, the plan is not subject to longevity risk.

The following tables analyse present value of defined benefit obligations, expense recognised in Consolidated Statement of Profit and Loss, actuarial assumptions and other information.

Notes to Consolidated Financial Statements

for the Year ended March 31, 2021

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

(₹ In Lakhs)

	As at March 31, 2021	As at March 31, 2020
(I) Reconciliation of present value of defined benefit obligation		
(a) Balance at the beginning of the year	1,269	1,085
(b) Current service cost	145	142
(c) Interest cost	75	82
(d) Benefits paid	(304)	(134)
(e) Actuarial (gains)/ losses recognised in other comprehensive income		
change in demographic assumptions	72	2
change in financial assumptions	120	77
experience adjustments	61	15
Balance at the end of the year	1,438	1,269
(II) Reconciliation of present value of plan assets		
(a) Balance at the beginning of the year	711	594
(b) Actual return on plan assets	31	41
(c) Investment Income	9	14
(d) Contributions by the employer	90	195
(e) Benefits paid	(301)	(133)
Balance at the end of the year	540	711
(III) Net asset/ (liability) recognised in the Balance Sheet		
(a) Present value of defined benefit obligation	(1,438)	(1,269)
(b) Fair value of plan assets	540	711
Net defined benefit obligations in the Balance Sheet (Includes Net Asset CY - ₹94 lakhs, PY - ₹35 lakhs)	(898)	(558)
(IV) Expense recognised in Statement of Profit or Loss		
(a) Current service cost	145	142
(b) Interest income (net)	29	37
Amount charged to Profit or Loss	174	179
(V) Remeasurements recognised in Other Comprehensive Income		
(a) Actuarial gain / (loss) on defined benefit obligation	(252)	(94)
(b) Return on plan asset excluding interest income	(6)	11
Amount recognised in Other Comprehensive Income	(258)	(83)
(VI) Plan assets		
Plan assets comprise of the following:		
(a) Investments with LIC	100%	100%
(VII) Actuarial assumptions		
Principal actuarial assumptions at the reporting date (expressed as weighted averages)		
(a) Discount rate	5.6%	6.5%
(b) Future salary growth	6.0%	4.0%
(c) Retirement age (years)	58	58
(d) Withdrawal rates	25%	9%
(e) Mortality rate (% of IALM 2012-14)	100%	100%

Notes to Consolidated Financial Statements

for the Year ended March 31, 2021

(IX) Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligations by the amounts shown below:

	(₹ In Lakhs)			
	As at March 31, 2021		As at March 31, 2020	
	Increase	Decrease	Increase	Decrease
(a) Discount rate (1% movement)	(44)	48	(78)	88
(b) Future salary growth (1% movement)	47	(43)	87	(78)
(c) Withdrawal assumption (1% movement)	(3)	4	9	(11)

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions as shown.

Expected cash flows over the next (Valued on undiscounted cash flows)	(₹ In Lakhs)	
	As at March 31, 2021	As at March 31, 2020
1 year	364	206
2 to 5 years	879	565
6 to 10 years	384	524
More than 10 years	126	820

45. Segment information

A. Basis for segmentation

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group other components, and for which discrete financial information is available. All operating segments' operating results are reviewed regularly by the Company's Chief Operating Decision Maker (CODM) to make decisions about resources to be allocated to the segments and assess their performance.

The Group has two reportable segments, as described below, which is the Group's primary business segment. These business units are managed separately because they require different marketing strategies. For these businesses, the Group (designation of the person who reviews) reviews internal management reports at quarterly basis.

Reportable segments	Operations
Express Distribution & Supply Chain	Covers integrated cargo services - Road, Air transportation, E-commerce logistics and supply chain solutions
Fuel Stations	Covers fuel stations dealing in petrol, diesel and lubricants, etc.
Others	Miscellaneous business comprising of less than 10% revenues.

B. Information about reportable segments

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit (before tax), as included in the internal management reports that are reviewed by the Company's CODM. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segment pricing is determined on an arm's length basis.

Summary of Segment Information for the year ended March 31, 2021 and March 31, 2020 is as follows:

1. Segment Revenue (Net Sales / Income from each Segment)	(₹ In Lakhs)	
	Year ended March 31, 2021	Year ended March 31, 2020
a) Express Distribution & Supply Chain	1,06,419	1,32,496
b) Fuel Sales	24,480	27,507
c) Other Sales	548	11,903
Total	1,31,447	1,71,906
Less: Inter Segment Revenue	(23)	(739)
Net Sales / Income from Operations	1,31,424	1,71,167

Notes to Consolidated Financial Statements

for the Year ended March 31, 2021

	(₹ In Lakhs)	
	Year ended March 31, 2021	Year ended March 31, 2020
2. Segment Results (Profit (+) / Loss (-) before tax and interest from each Segment)		
a) Express Distribution & Supply Chain	(41,601)	(245)
Less: Exceptional Items	20,724	-
Total (a)	(20,877)	(245)
b) Fuel Sales	586	655
Less: Exceptional Items	-	-
Total (b)	586	655
c) Other Sales	(215)	111
Less: Exceptional Items	(238)	-
Total (c)	(453)	111
Total (a+b+c)	(20,744)	521
Less: Finance Cost	(4,513)	(5,364)
Profit/ (Loss) before tax	(25,257)	(4,843)
Less: Tax Expenses	(664)	3,584
Profit after Tax as per statement of profit and loss	(24,593)	(8,427)

	(₹ In Lakhs)	
	As at March 31, 2021	As at March 31, 2020
3. Segment Assets		
a) Express Distribution & Supply Chain	94,059	1,36,357
b) Fuel Stations	94,059	1,36,357
c) Others	1,540	1,658
d) Unallocated	512	3,286
	27,604	18,113
Total Assets	1,23,715	1,59,414
Segment Liabilities		
a) Express Distribution & Supply Chain	20,383	18,528
b) Fuel Stations	64	46
c) Others	208	2,190
d) Unallocated	42,078	53,988
Total Liabilities	62,733	74,752
Capital Employed	60,982	84,662

	(₹ In Lakhs)	
	Year ended March 31, 2021	Year ended March 31, 2020
4. Depreciation and amortization expense		
a) Express Distribution & Supply Chain	3,999	4,357
b) Fuel Stations	12	11
c) Others	2	2
Total	4,013	4,370

	(₹ In Lakhs)	
	Year ended March 31, 2021	Year ended March 31, 2020
5. Significant non - cash Expenditure		
a) Express Distribution & Supply Chain	21,668	1,954
b) Fuel Sales	-	-
c) Other Sales	310	10
Total	21,978	1,964

Notes to Consolidated Financial Statements

for the Year ended March 31, 2021

	(₹ In Lakhs)	
	Year ended March 31, 2021	Year ended March 31, 2020
6. Capital Expenditure		
a) Express Distribution & Supply Chain	863	3,239
b) Fuel Sales	0	33
c) Other Sales	-	-
Total	863	3,272

C. Geographical information

	(₹ In Lakhs)	
	Year ended March 31, 2021	Year ended March 31, 2020
1. Revenue from External Customers		
a) India	1,30,732	1,67,238
b) International	692	3,929
Total	1,31,424	1,71,167

	(₹ In Lakhs)	
	Year ended March 31, 2021	Year ended March 31, 2020
2. Segment Non Current assets *		
a) India	65,612	1,04,702
b) International	-	8
Total	65,612	1,04,710

* Non current asset are Excluding Investment, Non current tax assets, Deferred Tax asset.

46. Due to Micro enterprises and small enterprises

	(₹ In Lakhs)	
	As at March 31, 2021	As at March 31, 2020
(i) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of the accounting year: Principal amount due to micro and small enterprises Interest due on above Total	 345 - 345	 117 - 117
(ii) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during the accounting year	-	-
(iii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006.	-	-
(iv) The amount of interest accrued and remaining unpaid at the end of the accounting year.	-	-
(v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management.

47. Dividends

	(₹ In Lakhs)	
	As at March 31, 2021	As at March 31, 2020
Dividend on equity shares paid during the year including Tax	-	1,048
Final Dividend for the FY 2020-21 [NIL (Previous year ₹0.80) per equity share of ₹2 each]	-	1,048

Proposed Dividend:

No Dividend has been proposed with the objective to conserve cash to be deployed for business post Covid -19

Notes to Consolidated Financial Statements

for the Year ended March 31, 2021

48. Financial instruments - fair values and risk management

A. Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities as at March 31, 2021, including their levels in the fair value hierarchy.

(₹ in Lakhs)

Particulars	Carrying amount				Fair value				
	FVTPL	FVOCI	Other financial assets - amortised cost	Other financial liabilities- amortised cost	Total carrying amount	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value									
Investment in Mutual funds	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
Financial assets not measured at fair value									
Loans		-	2,581	-	2,581	-	-	-	-
Other financial assets		-	234	-	234	-	-	-	-
Trade receivables		-	19,546	-	19,546	-	-	-	-
Cash and cash equivalents		-	4,247	-	4,247	-	-	-	-
Other bank balances		-	1,381	-	1,381	-	-	-	-
	-	-	27,989	-	27,989	-	-	-	-
Financial liabilities not measured at fair value									
Borrowing		-	-	27,601	27,601	-	-	-	-
Lease liabilities		-	-	7,177	7,177	-	-	-	-
Trade payables		-	-	8,908	8,908	-	-	-	-
Other financial liabilities		-	-	10,185	10,185	-	-	-	-
	-	-	-	53,871	53,871	-	-	-	-

The following table shows the carrying amounts and fair values of financial assets and financial liabilities as at March 31, 2020, including their levels in the fair value hierarchy.

(₹ in Lakhs)

Particulars	Carrying amount				Fair value				
	FVTPL	FVOCI	Other financial assets - amortised cost	Other financial liabilities- amortised cost	Total carrying amount	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value									
Investment in Mutual funds	7,782	-	-	-	7,782	7,782	-	-	7,782
	7,782	-	-	-	7,782	7,782	-	-	7,782
Financial assets not measured at fair value									
Loans		-	2,681	-	2,681	-	-	-	-
Other financial assets		-	2,929	-	2,929	-	-	-	-
Trade receivables		-	20,534	-	20,534	-	-	-	-
Cash and cash equivalents		-	3,366	-	3,366	-	-	-	-
Other bank balances		-	1,493	-	1,493	-	-	-	-
	-	-	31,003	-	31,003	-	-	-	-
Financial liabilities not measured at fair value									
Borrowing		-	-	39,715	39,715	-	-	-	-
Lease Liabilities		-	-	7,917	7,917	-	-	-	-
Trade Payables		-	-	11,634	11,634	-	-	-	-
Other financial liabilities		-	-	7,694	7,694	-	-	-	-
	-	-	-	66,960	66,960	-	-	-	-

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for the Year ended March 31, 2021

B. Measurement of fair values

i. Valuation techniques and significant unobservable inputs

The fair value of cash and cash equivalents, bank balances, trade receivables, loans, investments in Debt instrument, borrowings, lease liabilities, trade payables and other financial assets and liabilities approximate their carrying amount largely due to the short-term nature of these instruments. The Group loans have been contracted at market rates of interest. Accordingly, the carrying value of such loans approximate fair value.

Investments in equity instruments, which are classified as FVOCI are based on market price at the respective reporting date.

ii. Level 1 fair values

The following table shows a reconciliation from the opening balance to the closing balance for Level 1 fair values.

Particulars	(₹ in Lakhs)
	FVOCI Equity Instruments
Balance at March 31, 2019	243
Current Investments during the year	7,720
Net Gain on Investments measured at FVTPL	62
Equity investments through other comprehensive income	(78)
Sale proceeds - Non current Investments	(165)
Balance at March 31, 2020	7,782
Balance at March 31, 2020	7,782
Current Investments during the year	-
Net Gain on Investments measured at FVTPL	80
Equity investments through other comprehensive income	-
Sale proceeds Non current Investments	(7,862)
Balance at March 31, 2021	0

C. Financial risk management

The Group's has exposure to the following risks arising from financial instruments:

- (i) Credit risk
- (ii) Liquidity risk
- (iii) Market risk

Risk management framework

The Group's principal financial liabilities includes borrowings, lease liabilities, trade payable and other financial liabilities. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include trade receivables, loans, cash and cash equivalents and other financial assets that derive directly from its operations.

The Group's activities expose it to credit risk, liquidity risk and market risk. The Group's primary risk management focus is to minimise potential adverse effects of market risk on its financial performance. The Group's exposure to credit risk is influenced mainly by the individual characteristic of each customer and the concentration of risk from the top few customers. The Group's risk management assessment and policies and processes are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor such risks and compliance with the same. Risk assessment and management policies and processes are reviewed regularly to reflect changes in market conditions and the Group's activities.

(i) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and loans given. Credit risk arises from cash held with banks and financial institutions, as well as credit exposure to customers, including outstanding accounts receivables. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Group assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

Notes to Consolidated Financial Statements

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(a) Trade receivables, loans and advances

As per simplified approach, the Group makes provision of expected credit losses on trade receivables using a provision matrix to mitigate the risk of default payments and makes appropriate provisions at each reporting date whenever is for longer period and involves higher risk. The Group uses a provision matrix to compute the credit loss allowance for trade receivables.

The movement of Trade Receivables and Expected Credit Loss are as follows :

Particulars	(₹ In Lakhs)	
	As at March 31, 2021	As at March 31, 2020
Trade Receivables (Gross)	23,821	23,904
Less: Expected Credit Loss	4,275	3,370
Trade Receivables (Net)	19,546	20,534

(₹ in Lakhs)	
Reconciliation of Loss allowance (Trade Receivables)	Amount
Loss Allowance on March 31, 2019	2,415
Change in Loss allowance	955
Loss Allowance in March 31, 2020	3,370
Change in Loss allowance	905
Loss Allowance in March 31, 2021	4,275

The movement of Advances and Expected Credit Loss are as follows :

Particulars	(₹ In Lakhs)	
	As at March 31, 2021	As at March 31, 2020
Other Advances Receivables (Gross)	2,505	2,913
Less: Expected Credit Loss	2,319	60
Trade Receivables (Net)	186	2,853

(₹ in Lakhs)	
Reconciliation of Loss allowance (Advances)	Amount
Loss Allowance on March 31, 2019	60
Change in Loss allowance	-
Loss Allowance in March 31, 2020	60
Change in Loss allowance	2,259
Loss Allowance in March 31, 2021	2,319

(b) Loans (Security deposits given): The Group has security deposits with lessors for leased premises at the year end. The credit worthiness of such lessors is evaluated by the management on an ongoing basis and is considered good.

(ii) Liquidity risk

Liquidity risk is defined as the risk that the Group will not be able to settle or meet its obligations on time or at reasonable price. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of credit facilities to meet obligations when due. The Group's finance team is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Group's liquidity position through rolling forecasts on the basis of expected cash flows. Besides, it generally has certain undrawn credit facilities which can be accessed as and when required; such credit facilities are reviewed at regular intervals. Thus, no liquidity risk is perceived at present.

The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Notes to Consolidated Financial Statements

for the Year ended March 31, 2021

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

(₹ In Lakhs)

March 31, 2021	Contractual cash flows				
	Carrying amount	Total	Less than 1 year	1 to 5 years	More than 5 years
Borrowings	27,601	27,601	24,982	2,619	-
Lease Liabilities	7,177	11,067	1,949	5,593	3,525
Trade payables	8,908	8,908	8,908	-	-
Other financial liabilities	10,185	10,185	10,185	-	-
	53,871	57,761	46,024	8,212	3,525

(₹ In Lakhs)

March 31, 2020	Contractual cash flows				
	Carrying amount	Total	Less than 1 year	1 to 5 years	More than 5 years
Borrowings	39,715	39,715	30,010	9,705	-
Lease Liabilities	7,917	12,607	1,875	5,958	4,775
Trade payables	11,634	11,634	11,634	-	-
Other financial liabilities	7,694	7,694	7,626	67	-
	66,960	71,650	51,145	15,730	4,775

(iii) Floating exchange rate and Interest risk:

Floating exchange rate

Floating exchange rate with reference to Market risk is the risk that changes in market prices - such as foreign exchange rates and interest rates - will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The total unhedged foreign currency exposure at the year end towards Trade Receivable & Trade Payable is ₹24 Lakhs (Previous year ₹155 Lakhs) and ₹59 Lakhs (Previous Year ₹188 Lakhs) respectively. The Company does not have significant foreign currency exposure and hence, is not exposed to any significant foreign currency risk.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long term and short term borrowing with floating interest rates. The Group constantly monitors the credit markets and rebalances its financing strategies to achieve an optimal maturity profile and financing cost.

The interest rate profile of the Group interest bearing financial instruments at the end of the reporting period are as follows:

(₹ In Lakhs)

Particulars	As at	As at
	March 31, 2021	March 31, 2020
Fixed rate instruments		
Financial assets	-	-
Financial liabilities		
Non-Convertible Debentures ("NCD"), Secured	9,107	8,385
Term Loan From Banks	2,024	3,718
Term Loan From Financial Institutions	94	1,954
Deposits from Public	663	1,268
Lease liability	7,177	7,917
	19,065	23,242

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for the Year ended March 31, 2021

Particulars	(₹ In Lakhs)	
	As at March 31, 2021	As at March 31, 2020
Variable rate instruments		
Financial assets	-	
Financial liabilities		
Term Loan From Banks	1,198	9,003
Cash Credit	14,516	15,388
	15,714	24,391
Total	34,779	47,633

Sensitivity analysis

Fixed rate instruments that are carried at amortised cost are not subject to interest rate risk for the purpose of sensitive analysis.

A reasonably possible change of 100 basis points in variable rate instruments at the reporting dates would have increased or decreased profit or loss by the amounts shown below:

Particulars	(₹ In Lakhs)			
	Effect on Profit before tax		Effect on total equity	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Variable rate instruments - decrease by 100 basis points	157	244	157	244
Variable rate instruments - increase by 100 basis points	(157)	(244)	(157)	(244)

The sensitivity analysis above has been determined for borrowings assuming the amount of borrowings outstanding at the end of the reporting period was outstanding for the whole year.

Equity risk

The Group's quoted equity instruments are susceptible to market price risk arising from uncertainties about future values of the investment securities. The reports on the equity portfolio are submitted to the Group's senior management on a regular basis. The senior management reviews and approves all equity investment decisions.

Sensitivity analysis

Investment in equity instruments of the Group are listed on the Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) in India. The table below summaries the impact of increase/decrease of the Nifty 50 index on the Group's equity and profit for the period. The analysis is based on the assumption that the NSE nifty 50 equity index had increased/decreased by 10% with all other variables held constant, and that all the Group's equity instruments moved in line with the index.

Particulars	(₹ In Lakhs)			
	Effect on Profit before tax		Effect on total equity	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
NSE Nifty 50 - increase by 10% (March 31, 2020: 10%)	-	778	-	778
NSE Nifty 50 - decrease by 10% (March 31, 2020: 10%)	-	(778)	-	(778)

49. Capital management

The Group's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investors, creditors and market confidence and to sustain future development and growth of its business. In order to maintain the capital structure the Group monitors the return on capital, as well as the level of dividends to equity shareholders. The Group aims to manage its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to all its shareholders. For the purpose of the Group's capital management, capital includes issued capital and all other equity reserves attributable to the equity holders and debt includes borrowings.

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for the Year ended March 31, 2021

The Group monitors capital on the basis of the following gearing ratio.

Particulars	(₹ In Lakhs)	
	As at March 31, 2021	As at March 31, 2020
Borrowings(Including Current maturities of Long term Borrowings)	27,601	39,715
Less:-		
Cash and cash equivalents	(4,247)	(3,366)
Bank Balances other than cash and cash equivalents	(1,382)	(1,493)
Investments	-	(7,782)
Net debt	21,972	27,074
Equity	52,510	74,312
Gearing ratio	0.42	0.36

50. Earnings per Share

	(₹ In Lakhs)	
	Year ended March 31, 2021	Year ended March 31, 2020
Profit/(Loss) for the year	(22,788)	(7,829)
Weighted average number of shares outstanding (Nos.)	12,19,45,977	11,11,79,319
Diluted average number of shares outstanding (Nos.)	12,19,45,977	11,12,90,319
Basic Earnings Per Share (In ₹)	(18.69)	(7.04)
Diluted Earnings Per Share (In ₹)	(18.69)	(7.03)
Nominal value of shares outstanding (In ₹)	2	2

51. Related party disclosure on consolidated basis

A. Names of related parties and related party relationship

i) Holding Company

1. Allcargo Logistics Limited

ii) List of Directors & Key managerial personnel

1. Mr Shashi Kiran Shetty – Chairman and Managing Director (Appointed as a Chairman w.e.f. July 24, 2020 and Managing Director w.e.f. November 04, 2020)

2. Mr Mahendra Agarwal – Founder & CEO (Resigned w.e.f. September 28, 2020)

3. Mr N Srinivasan – Director (Resigned w.e.f. January 01, 2021)

4. Mr P N Shukla – Director

5. Mr Yasuhiro Kaneda – Director

6. Mr Kaiwan Kalayaniwalla – Director (Appointed w.e.f. February 04, 2020)

7. Ms Cynthia D'Souza – Director (Appointed w.e.f. July 03, 2020)

8. Mr Dinesh Kumar Lal – Director (Appointed w.e.f. July 03, 2020)

9. Mr Mohinder Pal Bansal – Director (Appointed w.e.f. July 03, 2020 and resigned on March 04, 2021)

10. Mr Nilesh Shivji Vikamsey – Director (Appointed w.e.f. February 05, 2021)

11. Ms Sheela Bhide – Director Ceased on August 04, 2019

12. Ms Savita Date Menon – Director (Resigned w.e.f. October 12, 2020)

13. Mr Sushil Kumar Jiwrajka – Director (Appointed on August 02, 2019 and resigned on December 05, 2019)

14. Mr K L Chugh – Chairman (Resigned w.e.f. July 24, 2020)

15. Mr Jatin Chokshi – Director (Appointed w.e.f. July 03, 2020 & Resigned w.e.f. October 05, 2020)

16. Dr P S Reddy – Director (Resigned w.e.f. July 08, 2020)

17. Ms. T S Maharani – Company Secretary, Chief Investor Relations & Compliance Officer

18. Mr. Rohan Mittal – Chief Financial Officer (Appointed w.e.f. October 09, 2020)

19. Mr Peter H Jayakumar – Chief Financial Officer (Resigned w.e.f. October 09, 2020)

20. Mr. Adarsh Hegde – Managing Director of subsidiary (w.e.f. October 05, 2020)

21. Mr. Adarsh Hegde – Director (Appointed w.e.f. July 03, 2020 & Resigned w.e.f. October 05, 2020)

22. Mr. Bala Subramanian Aghoramurthy – Deputy Managing Director of subsidiary

Notes to Consolidated Financial Statements

for the Year ended March 31, 2021

- iii) Entities in which key managerial personnel and their relatives having significant influence**
1. TCI Finance Ltd.(*)
 2. TCI Hi-ways Pvt. Ltd.(*)
 3. Amrit Jal Ventures Private Ltd.(*)
 4. Gati Academy (*)
 5. Gati Infrastructure Sada Mangdar Power Pvt. Ltd. (*)
 6. Jaldi Traders & Commerce House Pvt. Ltd.(*)
 7. P D Agarwal Foundation (*)
 8. Gati Infrastructure Private Limited (*)
 9. Giri Roadlines and Commercial Trading Pvt Ltd (*)
 10. M/s Maneskhya & Sethna
 11. Share India
 12. Solaflex Solar Energy Private Limited (*)
 13. Mandala Agribusiness Investments II Ltd (Related Party of Subsidiary)
 14. TCI Telenet Solutions Pvt Ltd (*)
 15. Kintentsu World Express (India) Pvt Limited (Related Party of Subsidiary)
 16. ABC India Ltd (*)
- v) Fellow Subsidiaries**
1. Gati Asia Pacific Pte Ltd.
 2. Gati Hong Kong Ltd
 3. Gati Cargo Express (Shanghai) Co. Ltd.
- vi) Associate**
1. Gati Ship Ltd.

(*) Ceased to qualify as a related party with effect from September 28, 2020

(**) Ceased to be Subsidiary with effect from August 16, 2020 and became fellow subsidiary.

B. Summary of the transactions with related parties:

(₹ In Lakhs)

SL. No	Nature of Transaction	Key Managerial Personnel & Relatives		Entities in which Significant influence exists		Holding, Subsidiaries, step down Subsidiaries & Fellow Subsidiaries		Total	
		2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
		a) EXPENDITURE							
	Rent								
	Giri Roadlines & Commercial Trading Pvt Ltd	-	-	32	64	-	-	32	64
	Jaldi Traders & commerce house Pvt Ltd	-	-	75	150	-	-	75	150
	P.D. Agarwal Foundation	-	-	25	13	-	-	25	13
	TCI Telenet Solutions Pvt Ltd	-	-	16	36	-	-	16	36
	Allcargo Logistics limited	-	-	-	-	15	-	15	-
	ABC India Limited	-	-	1	2	-	-	1	2
	Freight Expenses								
	Allcargo Logistics Limited	-	-	-	-	2	-	2	-
	Interest Expenses								
	Mandala Agribusiness Investments II Ltd	-	-	345	333	-	-	345	333
	Allcargo Logistics Limited	-	-	-	-	86	-	86	-
	Premium on redemption of debenture								
	Mandala Agribusiness Investments II Ltd	-	-	722	657	-	-	722	657
	Other expenses	-	-	-	-	-	-	-	-
	Solaflex Solar Energy Private Limited	-	-	16	29	-	-	16	29
	Donation								
	Share India	-	-	-	36	-	-	-	36

Notes to Consolidated Financial Statements

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(₹ In Lakhs)

SL. No	Nature of Transaction	Key Managerial Personnel & Relatives		Entities in which Significant influence exists		Holding, Subsidiaries, step down Subsidiaries & Fellow Subsidiaries		Total	
		2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
	Remuneration								
	Mr. Mahendra Agarwal	152	341	-	-	-	-	152	341
	Mr. Bala Aghoramurthy	393	304	-	-	-	-	393	304
	Mr. Adarsh Hedge	87	-	-	-	-	-	87	-
	Mr. Rohan Mittal	43	-	-	-	-	-	43	-
	Ms. T S Maharani	27	19	-	-	-	-	27	19
	Directors Sitting Fee								
	Mr. K L Chugh	1	6	-	-	-	-	1	6
	Mr. N Srinivasan	3	7	-	-	-	-	3	7
	Mr. P N Shukla	3	7	-	-	-	-	3	7
	Dr. P S Reddy	0	1	-	-	-	-	0	1
	Ms. Sheela Bhide	-	4	-	-	-	-	-	4
	Mr. Sunil Kumar Alagh	-	4	-	-	-	-	-	4
	Ms. Savita Date Menon	2	3	-	-	-	-	2	3
	Mr. Mohinder Pal Bansal	3	-	-	-	-	-	3	-
	Mr. Sushil Kumar Jiwrajka	-	3	-	-	-	-	-	3
	Ms. Cynthia D'Souza	3	-	-	-	-	-	3	-
	Mr. Dinesh Kumar Lal	3	-	-	-	-	-	3	-
	Mr. Nilesh Shivji Vikamsey	1	-	-	-	-	-	1	-
	Manpower Expenses								
	Gati Academy	-	-	295	844	-	-	295	844
	Management Fees								
	Allcargo Logistics limited	-	-	-	-	129	-	129	-
	Legal and Professional Expenses								
	M/s Maneska & Sethna	-	-	5	-	-	-	5	-
b)	INCOME								
	Freight								
	Kintentsu World Express (India) Pvt Limited	-	-	656	705	-	-	656	705
	Gati Cargo Express (Shanghai) Co. Ltd.	-	-	24	-	-	-	24	-
	Allcargo Logistics limited	-	-	-	-	4	-	4	-
	Warehouse Income								
	Gati Academy	-	-	2	10	-	-	2	10
	TCI Hi-Ways Pvt Ltd	-	-	2	4	-	-	2	4
	Kintentsu World Express (India) Pvt Limited	-	-	166	362	-	-	166	362
	Gati Cargo Express (Shanghai) Co. Ltd.	-	-	0	-	-	-	-	-
	Interest								
	Jaldi Traders & commerce house Pvt Ltd	-	-	-	11	-	-	-	11
	Solaflex Solar Energy Private Limited	-	-	1	5	-	-	1	5
	Rent								
	Gati Academy	-	-	-	4	-	-	-	4
	TCI Finance Limited	-	-	-	2	-	-	-	2
	TCI Hi-ways Pvt Ltd	-	-	0	1	-	-	0	1
	Dividend paid								
	Kintetsu World Express (India) Pvt. Ltd	-	-	-	43	-	-	-	43
	Sale of Investment/Property								
	P D Agarwal Foudation	-	-	-	625	-	-	-	625
	Giri Roadlines & Commercial Trading Pvt Ltd	-	-	-	122	-	-	-	122

Note - "0" represents amounts less than ₹ 1 lac.

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C. Summary of the transactions with related parties:

(₹ In Lakhs)

SL. No	Nature of Transaction	Key Managerial Personnel & Relatives		Entities in which Significant influence exists		Holding, Subsidiaries, step down Subsidiaries & Fellow Subsidiaries		Total	
		As at 31 st March 2021	As at 31 st March 2020	As at 31 st March 2021	As at 31 st March 2020	As at 31 st March 2021	As at 31 st March 2020	As at 31 st March 2021	As at 31 st March 2020
a)	Sundry Debtors - Trade Receivable								
	Tci Hi Ways Pvt Ltd	-	-	-	-	-	1	-	1
	Kintentsu World Express (India) Pvt Limited	-	-	-	-	155	269	155	269
	Gati Cargo Express (Shanghai) Co Ltd.	-	-	-	-	21	-	21	-
	Allcargo Logistics limited	3	-	-	-	-	-	3	-
b)	Sundry Debtors - Other Receivable								
	Amrit Jal Ventures Private Ltd	-	-	-	-	-	1,768	-	1,768
	Provision Interest Receivable Amrit Jal Ventures Private Limited	-	-	-	-	-	(1,768)	-	(1,768)
	Gati Infrastructure Sada Mangder Private Ltd	-	-	-	-	-	389	-	389
	Provision Interest Receivable- Gati Infrastructure Sada Mangder Pvt Ltd	-	-	-	-	-	(389)	-	(389)
	TCI Finance Ltd	-	-	-	-	-	9	-	9
	TCI Highways Private Ltd	-	-	-	-	-	0	-	0
	Mr. Mahendra Agarwal	-	-	-	-	-	247	-	247
c)	Loans & Advances - Given								
	Jaldi Traders & Commerce House Private Ltd	-	-	-	-	-	570	-	570
	TCI Highways Private Ltd	-	-	-	-	-	1,716	-	1,716
	Less: Provision	-	-	-	-	-	(219)	-	(219)
d)	Deposits (Given)								
	Solaflex Solar Energy Private Limited	-	-	-	-	-	58	-	58
	Jaldi Traders & Commerce House Pvt Ltd	-	-	-	-	-	93	-	93
	TCI Telenet Solutions Pvt Ltd	-	-	-	-	-	18	-	18
e)	Long term Borrowings								
	Mandala Agribusiness Investments II Ltd	-	-	-	-	9,535	8,498	9,535	8,498
f)	Sundry Creditors								
	Share India	-	-	-	-	-	3	-	3
	TCI Telenet Solutions Pvt Ltd	-	-	-	-	-	3	-	3
	Giri Road lines and Commercial Trading Pvt Ltd	-	-	-	-	-	6	-	6
	Gati Academy	-	-	-	-	-	15	-	15
	Solaflex Solar Energy Private Limited	-	-	-	-	-	2	-	2
	P.D. Agarwal Foundation	-	-	-	-	-	9	-	9
	ABC India Limited	-	-	-	-	-	0	-	0
	Allcargo Logistics limited	127	-	-	-	-	-	127	-
	Gati Cargo Express (Shanghai) Co Ltd.	-	-	-	-	18	-	18	-
	Bala Subramanian Aghoramurthy	-	-	-	-	100	-	100	-

Notes to Consolidated Financial Statements

for the Year ended March 31, 2021

(₹ In Lakhs)

SL. No	Nature of Transaction	Key Managerial Personnel & Relatives		Entities in which Significant influence exists		Holding, Subsidiaries, step down Subsidiaries & Fellow Subsidiaries		Total	
		As at 31 st March 2021	As at 31 st March 2020	As at 31 st March 2021	As at 31 st March 2020	As at 31 st March 2021	As at 31 st March 2020	As at 31 st March 2021	As at 31 st March 2020
h)	Investment held for sale								
	Gati Ship Limited - Equity Shares	-	-	8,623	8,623	-	-	8,623	8,623
	Impairment on Gati Ship Limited - Equity shares	-	-	(8,623)	(8,623)	-	-	(8,623)	(8,623)
	Amrit Jal Ventures Private Ltd--- OCD's	-	-	-	-	-	3,457	-	3,457
	Amrit Jal Ventures Private Ltd - OCD's Impairment	-	-	-	-	-	(3,457)	-	(3,457)
	Gati Infrastructure Sada Mangder Private Ltd - OCD's	-	-	-	-	-	993	-	993
	Impairment on Gati Infrastructure Sada Mangder Private Ltd - OCD's	-	-	-	-	-	(993)	-	(993)
i)	Corporate Guarantees given								
	Gati Infrastructure Private Limited	-	-	-	-	-	2,360	-	2,360
	Gati Infrastructure Private Limited (Provided in books)	-	-	-	-	-	(2,360)	-	(2,360)

Notes -

- (i) This is to confirm that the above transactions are (a) comprehensive and have been reviewed by Internal Auditors of the Company; (b) in the ordinary course of Business and at arm's length; (c) in compliance with applicable regulatory / statutory requirements including the Company's policy on Related Party Transactions.
 - (ii) The Management confirms that requisite test to determine the arms length has been done and documented and where required confirmation from the external experts has been obtained for such determination.
 - (iii) Related Party Transactions for which approval of the Audit Committee has been taken are well within the ambit of Omnibus Approval given by the Audit committee.
 - (iv) The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given for FY 2020-21.
 - (v) The remuneration of directors is determined by the Nomination & Remuneration Committee having regard to the performance of individuals and market trends.
 - (vi) Balances as of March 31, 2021, does not include the balances of certain parties which do not qualify as related party w.e.f. September 29, 2020.
 - (vii) "0" represents amounts less than ₹1 lac.
- 52.** The value of company's investment in an associate had been fully provided in earlier years therefore the share of loss in that has not been considered in consolidated accounts.
- 53.** Advance receivable includes ₹410 lakhs due from Air India Limited against which provision is made in the current financial year. The matter was referred to the arbitral tribunal which passed an award dated September 17, 2013, directing Air India Limited to pay an amount of ₹2675 lakhs to the company along with interest @18 % per annum on the awarded amount. Air India filed an appeal before the Hon'ble High court at Delhi for setting aside of award, which directed Air India to deposit ₹2250 lakhs to the company. A property at Hyderabad was offered by the company as interim collateral. An application has been filed for release of above-mentioned collateral and is listed and pending for hearing. The matter remains sub-judice before Hon'ble High Court of New Delhi.

Notes to Consolidated Financial Statements

for the Year ended March 31, 2021

- 54.** The Group has total overdue advances given ₹2,286 lakhs to few parties in earlier years. The Company could not recover the agreed amount for which company has sent a legal notice to the said parties in previous year. Out of the amount receivable, the management had provided ₹218 lacs in previous year and the balance amount has been provided in the current financial year. A MoU has been signed with a revised repayment schedule which has been agreed between company and the parties in which this amount is also included.
- 55.** During the year ended March 31, 2018, management of Gati Kausar India Limited (GKIL), a subsidiary company, had revised its business strategy to adopt an "asset light" model in place of "asset heavy" model in view of the present business scenario and keeping in view the cost benefit analysis. Accordingly, the GKIL has not drawdown the committed loan aggregating to ₹6,100 Lakhs from the investors. On the basis of a careful analysis of the terms of the amended Bond Subscription Agreement and the prevalent industry practice in this regard, management of GKIL has considered a provision of ₹31 lakhs to be adequate to meet its obligations and is confident that no further financial obligations would dwell on GKIL.
- 56.** During the year ended March 31, 2021, Gati Kausar India Limited (GKIL), a subsidiary of the company, has incurred a loss of ₹1,650 Lakhs and as of that date, the accumulated losses amounting to ₹10,892 Lakhs has resulted in complete erosion of its net worth and the current liabilities exceeded its current assets by ₹9,582 Lakhs. These events along with availing extension for repayment of long-term debts aggregating to ₹991 lakhs, ₹2,921 lakhs and ₹5,195 lakhs (including redemption premium accrued till 31 March 2021) originally due for repayment in the month of October 2019, January 2020 and February 2021 respectively till September 30, 2021 clearly indicates that there exists material uncertainty that may cast significant doubt on the entity's ability to continue as a going concern and therefore, the GKIL may be unable to realize its assets and discharge its liabilities in the normal course of business. To address this and improve upon its operating and financial performance, the key shareholders along with the management of the GKIL is in the process of implementing a restructuring plan by focusing on number of measures viz;- (i) operational improvements through revenue enhancement; (ii) balance sheet restructuring to ensure solvency through sustainable cash flows. Based on the foregoing and management's assessment regarding the favourable outcome of the ongoing negotiations in relation to the unpaid commitment fee as detailed in Note 56 above and the possible impact of COVID-19 on the GKIL's operations as detailed in Note 62, management believes that the GKIL will be able to realize the assets and discharge its liabilities as recorded in the normal course of its operations. Accordingly, the accompanying Statement of the GKIL for the year ended March 31, 2021 have been prepared considering going concern basis of accounting.
- 57.** a) The managerial remuneration paid to the former Executive chairman and Managing Director (CMD) and current Deputy Managing Director of the subsidiary company i.e., Gati Kintetsu Express Pvt Ltd., for the year ended March 31, 2021 has exceeded the limit prescribed under section 197 read with Schedule V of the Companies Act, 2013 by ₹275 lakhs. Pending necessary approvals for the waiver of excess remuneration, no adjustment to the financial statements has been made as on March 31, 2021 and the said matter has been mentioned as an emphasis of matter by statutory auditor.
- b) The managerial remuneration paid to the former Executive chairman and Managing Director (CMD) and the Deputy Managing Director of the subsidiary company i.e., Gati Kintetsu Express Pvt Ltd. for the year ended March 31, 2020 has exceeded the limit prescribed under section 197 read with Schedule V of the Companies Act, 2013 by ₹403 lakhs. This excess remuneration has been waived off by the shareholders of the said subsidiary company at their AGM held on December 02, 2020 by passing the Special Resolution. However, the waiver pertaining to the Executive CMD was conditional subject to the full refund of the excess of managerial remuneration paid to him for FY' 2019 (amounting to ₹106 Lakhs) on or before January 31, 2021. The same was recovered in full and hence the waiver of excess remuneration for FY 2020 was applicable.
- 58.** The group has identified certain non-crore assets for monetization. ₹5,889 Lakhs was realized in FY 2021 from sale of non-core assets and entire proceeds were used to discharge debt and other liabilities of the group.

Notes to Consolidated Financial Statements

for the Year ended March 31, 2021

59. Events after the Balance Sheet date:

- a) Post closure of the financial year ended March 31, 2021, the Board of Directors of the Company in its meeting held on Friday, May 07, 2021 considered and approved the Issuance of up to 10,23,020 Equity Shares of face value of ₹2 each ("Equity Shares") at a price of ₹97.75/- per Equity Share at a premium of ₹95.75/- per Equity Share, aggregating up to ₹1,000 lakhs and 71,61,120 Equity Warrants at a Price of ₹97.75/- per Equity Warrants with the right to warrant holder to apply for and be allotted one Equity Share of the face value of ₹2/- each of the company at a premium of ₹95.75/- per equity share for each Equity warrant within a period of 18 months from the date of allotment of the warrants, aggregating up to ₹7,000 lakhs to Allcargo Logistics Limited, Promoter of the company on Preferential issue basis in accordance with Chapter V of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("SEBI ICDR Regulations"), as amended, and other applicable laws, subject to the shareholders' approval by way of passing of the Special Resolution in the Extra-Ordinary General Meeting to be held on Thursday, June 03, 2021 and other necessary approvals (including applicable statutory and regulatory approvals) and in compliance with applicable laws and regulations.
- b) Disposal of Subsidiary i.e. Gati Kausar India Limited ("Gati Kausar"), by way of entering into Share Purchase Agreement ("SPA") among the Contracting Parties i.e. (i) Company as a Promoter, (ii) Mandala Capital AG Limited as an Investor, and (iii) Gati Kausar India Limited as a Company.

60. The COVID-19 pandemic continues to spread throughout the world. The performance of the Company operation was impacted during the first quarter, following nationwide lockdown by the Government of India. The Company has resumed operations in a phased manner as per directives from the Government of India. The company has taken-into-account the impact of COVID – 19 in preparation of financial results including its assessment of going concern and recoverability of the carrying amounts of financial and non-financial assets. The extent to which the pandemic will impact our future financial results is currently uncertain and will depend on various other economic developments. The Company is also dependent on dividend from a major operating subsidiary, which is also affected by COVID-19 in respect of business operations and turnover. The Company will continue to monitor any material changes to future economic conditions.

61. Analysis of Loss on Disposal of Gati Asia Pacific Pte Ltd (GAP)

	(₹ in Lakhs)
Computation of loss on disposal of GAP	Year ended March 31, 2021
Cash consideration (1\$)	0
Less: Carrying value of net asset sold	(40)
Less: Exchange difference arising on translation of foreign operations	(1,087)
Loss on Disposal	(1,127)
	(₹ in Lakhs)
Carrying amount of GAP assets and Liabilities disposed:	August 16, 2020
Property, plant and equipment	5
Current assets	
Financial assets	
Other Financial assets	53
Trade receivables	337
Cash and bank balances	147
Other assets	4
Total Assets	546
Current Liabilities	
Financial Liabilities	
Trade Payables	374
Others financial liabilities	83
Other current liabilities	49
Total Liabilities	506
Net Assets derecognized	40

Notes to Consolidated Financial Statements

for the Year ended March 31, 2021

62. Additional Information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary/ Associates

Name of the Enterprise	2020-21							
	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other Comprehensive Income		Share in Total Comprehensive Income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated profit or loss	Amount	As % of consolidated profit or loss	Amount
Parent								
Gati Limited	102.40%	62,446	77%	(17,631)	7%	71	81%	(17,561)
Subsidiaries								
Indian								
1. Gati-Kintetsu Express Pvt. Ltd.	49.10%	29,939	19%	(4,366)	-25%	(246)	21%	(4,612)
2. Gati Kausar India Ltd.	-10.24%	(6,245)	7%	(1,650)	0%	(0)	8%	(1,650)
3. Gati Import Export Trading Ltd.	0.18%	110	2%	(456)	0%	-	2%	(456)
4. Zen Cargo Movers Pvt. Ltd.	-0.06%	(36)	0%	(2)	0%	-	0%	(2)
5. Gati Logistics Parks Pvt. Ltd.	-2.04%	(1,242)	6%	(1,454)	0%	-	7%	(1,454)
6. Gati Projects Pvt. Ltd.	0.00%	(2)	0%	(3)	0%	-	0%	(3)
Foreign								
1. Gati Asia Pacific Pte Ltd.	0.00%	(0)	5.70%	(1,299)	110%	1,089	1%	(210)
Sub total		84,970		(26,861)		913		(25,948)
Inter company Elimination and consolidation adjustment	-53.23%	(32,460)	-9.95%	2,268	0%	-	-10%	2,267
Total		52,510		(24,593)		913		(23,680)
Non Controlling Interest in all subsidiaries	13.89%	8,472	7.92%	(1,805)	-7%	(74)	9%	(1,879)
Grand total	100.00%	60,982	100.00%	(22,788)	100%	987	100%	(21,802)

63. The Subsidiary Companies considered in the Financial Statements are as follows:

Sl. No.	Name of the subsidiary	Country of Incorporation	% Voting Power as at 31st March, 2021	% Voting Power as at 31st March, 2020
1	Gati Asia Pacific Pte Ltd.	Singapore	0%	100%
2	Gati Hong Kong Ltd*	Hong Kong	0%	100%
3	Gati Cargo Express (Shanghai) Co. Ltd*	China	0%	100%
4	Gati-Kintetsu Express Pvt. Ltd.	India	70%	70%
5	Gati Kausar India Ltd.	India	69.89%	69.89%
6	Gati Import Export Trading Ltd.	India	100%	100%
7	Zen Cargo Movers Pvt Ltd.	India	100%	100%
8	Gati Logistics Parks Pvt. Ltd.	India	100%	100%
9	Gati Projects Pvt. Ltd.	India	100%	100%

* Step Down Subsidiaries

Notes to Consolidated Financial Statements

for the Year ended March 31, 2021

64. Employee share-based payment:

Details of grants under various series are summarised below

S. No.	Description	Year ended March 31, 2021		Year ended March 31, 2020	
		ESOS-2006	ESOS-2007	ESOS-2006	ESOS-2007
	Scheme No.				
1	Date of shareholders' approval	11-10-2006	13-10-2007	11-10-2006	13-10-2007
2	Total number of options approved under ESOS	17,82,500	17,55,720	17,82,500	17,55,720
3	Vesting requirements	Commences at the expiry of two years from the date of grant.			
4	Exercise price or pricing formula	At a discount of 25% on the average of the weekly high and low of the closing prices for the Company's Equity Shares quoted on the Bombay Stock Exchange and / or National Stock Exchange during the four weeks preceding the date of grant of the options.			
5	Maximum term of options granted	4 years			
6	Source of shares (primary, secondary or combination)	Primary			
7	Variation of terms of options	Nil			
8	Method used to account for ESOS - Intrinsic or fair value	The company has calculated the employee compensation cost using the fair value of the stock options.			

S. No.	Description	Year ended March 31, 2021		Year ended March 31, 2020	
		ESOS-2006	ESOS-2007	ESOS-2006	ESOS-2007
1	Number of options outstanding at the beginning of the year (un-granted)	8,02,988	9,65,200	6,54,988	9,65,200
2	Number of options granted during the year	Nil	Nil	Nil	Nil
3	Number of options forfeited/lapsed during the year	94,905	16,095	1,48,000	0
4	Number of options vested during the year	94,905	16,095	1,48,000	0
5	Number of options exercised during the year	0	0	0	0
6	Number of shares arising as a result of exercise of options	0	0	0	70500*
7	Amount realized by exercise of options (₹)	0	0	0	60,22,110
8	Loan repaid by the Trust during the year from exercise price received	NA	NA	NA	NA
9	Number of options outstanding at the end of the year (out of total number of options approved under ESOS)	8,97,893	9,81,295	8,02,988	9,65,200
10	Number of options exercisable at the end of the year (out of total number of options approved under ESOS)	0	0	94,905	16,095

	Weighted average exercise price (in ₹)	Weighted average Fair value (in ₹)	Expected Volatility (%)	Expected Dividend (%)	Life of Options granted (Years)	Risk free interest rate (%)	
11	Stock Options granted on						
	06-02-2014	45.60	69.50	9.93%	1.69%	4	8%
	06-08-2014	85.42	113.79	12.59%	1.73%	4	8%
	26-04-2016	87.13	116.18	-6.92%	0.81%	4	8%
	04-11-2016	103.40	137.94	0.72%	0.81%	4	8%
12	Employee wise details of options granted to						
	a.	Key managerial personnel		Nil	Nil	Nil	Nil
	b.	Any other employee who receive a grant of options in any one year of option amounting to 5% or more of option granted during the year		Nil	Nil	Nil	Nil
	c.	Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants & conversions) of the Company at the time of grant		Nil	Nil	Nil	Nil

Notes to Consolidated Financial Statements

for the Year ended March 31, 2021

13	Description of the method and significant assumptions used during the year to estimate the fair value of the options, including the following weighted average information	The Black Scholes option-pricing model was developed for estimating fair value of traded options that have no vesting restrictions and are fully transferable. Since option-pricing models require use of substantive assumptions, changes therein can materially affect fair value of options. The option pricing models do not necessarily provide a reliable measure of fair value of options.	
14	The main assumptions used in the Black Scholes option-pricing model during the year were as follows:		
	(i) Weighted average values of share price	Refer point no. 11	Refer point no. 11
	(ii) exercise price	Refer point no.11	Refer point no.11
	(iii) Risk free interest rate	8%	8%
	(iv) Expected Life of Options	3 years	3 years
	(v) Expected volatility	26-04-2016 (-6.92%), 04-11-2016 (0.72%)	26-04-2016 (-6.92%), 04-11-2016 (0.72%)
	(vi) Dividend yield	0.81%	0.81%
15	The method used and the assumptions made to incorporate the effects of expected early exercise	NA	NA
16	How expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility	We have considered the historical price of the company at the stock exchange, where the trading volume is high. The average closing price on weekly basis was taken to calculate the volatility of the shares.	
17	Whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition.	No	No

* 70500 shares are arising as a result of exercise of options during the Financial Year 2018-19

65. Previous GAAP figures have been reclassified /regrouped wherever necessary.

66. The financial statements are approved for issue by the Audit Committee and by Board of Directors at its meeting held on May 25, 2021.

As per our report of even date

For Singhi & Co.

Chartered Accountants
ICAI Firm Registration No: 302049E

Anurag Singhi

Partner
Membership no: 066274
Place: Kolkata
Date: May 25, 2021

For and on behalf of the Board of Directors

Shashi Kiran Shetty

Chairman & Managing Director
DIN: 00012754

Rohan Mittal

Chief Financial Officer
Place: Hyderabad
Date: May 25, 2021

T S Maharani

Company Secretary
M No. F8069

67. Statement containing salient features of the financial statements of subsidiaries/ associate companies/ joint ventures

PART "A": SUBSIDIARIES

Sl. No.	Name of the subsidiary	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	Share capital	Reserves & surplus	Total assets	Total Liabilities	Investments	Turnover	Profit before taxation exceptional items	Exceptional Items	Profit before taxation and exceptional items	Provision for taxation	Profit after taxation	Proposed Dividend	% of shareholding
1	Gati Asia Pacific Pte Ltd.*	April-March	SGD = INR 54.4012	-	-	-	-	-	-	(5)	(5)	(5)	-	(5)	-	0%
2	Gati Hong Kong Ltd.*	April-March	HKD = SGD 0.1768	-	-	-	-	-	137	(1)	-	(1)	-	(1)	-	0%
3	Gati Cargo Express (Shanghai) Co. Ltd.*	April-March	RMB = SGD 0.1972	-	-	-	-	-	558	(166)	-	(166)	-	(166)	-	0%
4	Gati-Kintetsu Express Pvt. Ltd.#	April-March	INR	50	29,889	72,661	42,722	-	101,681	(1,933)	(4,151)	(6,084)	(1,718)	(4,366)	-	70% held by Parent
5	Gati Kausar India Ltd. #	April-March	INR	746	(6,991)	5,496	11,741	-	3,165	(1,650)	-	(1,650)	-	(1,650)	-	69.99% held by Parent
6	Gati Import/Export Trading Ltd.^	April-March	INR	230	(120)	519	409	-	555	(218)	(238)	(457)	(0)	(456)	-	100% held by Parent
7	Zen Cargo Movers Pvt Ltd.^	April-March	INR	36	(72)	31	67	-	6	(1)	-	(1)	1	(2)	-	100% held by Parent
8	Gati Logistics Parks Pvt. Ltd.^	April-March	INR	1	(1,243)	759	2,001	-	-	(214)	(1,240)	(1,454)	-	(1,454)	-	100% held by Parent
9	Gati Projects Pvt. Ltd.^	April-March	INR	1	(3)	0	2	-	-	(3)	-	(3)	-	(3)	-	100% held by Parent

1. Names of the subsidiaries which are yet to commence operations

Sl. No.	Name of the companies
1	Gati Logistics Parks Pvt. Ltd.
2	Gati Projects Pvt. Ltd.

* The wholly owned subsidiary i.e., Gati Asia Pacific Pte Ltd (GAP) and its two step down subsidiaries ceased to be a subsidiary with effect from August 16, 2020 (Refer Note 40(d)).
The accounts of the Subsidiary Companies have been audited by the respective statutory auditors and the financial statements of these Companies have been considered in the consolidation.
^The accounts of the Subsidiary Companies have been certified by the management and the financial statements of these Companies have been considered in the consolidation.

PART "B": ASSOCIATES AND JOINT VENTURES

Sl. No.	Name of the subsidiary	Shares of Associate/ Joint Ventures held by the company on the year end				Profit/loss for the year				
		Latest audited Balance Sheet date	No. of shares	Amount of Investment	Extent of holding%	Description of how there is a significant influence	Reason why the associate/joint venture is not consolidated	Net worth attributable to Shareholding as per latest audited Balance Sheet	Considered in consolidation	Not considered in consolidation
1	Gati Ship Ltd.	31st March, 2021	4,800,000	8,623	47.95%	There is no significant control over the company. So the results are not consolidated.	The company ceases to have significant control after the sale of stake of 12.09% on 16th May, 2014. Hence the same is not considered in consolidation.	53	-	0

The value of company's investment in an associate had been fully provided in earlier years therefore the share of loss in that has not been considered in consolidated accounts

Statement of Impact of Audit Qualification submitted along-with Annual Audited Financial Results Gati Limited – Consolidated Audited financial results

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2021

(₹ in Lakhs, except for details of EPS)

I S. No. Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications) [to be read with II(a) and II(e)(ii) below]
1 Total revenue	132,465	132,465
2 Total expenses	137,236	137,236
3 Profit/(Loss) after tax	(24,593)	(24,593)
4 Earnings per share (in ₹)	(19)	(19)
5 Total assets	123,715	123,715
6 Total liabilities	62,733	62,733
7 Net-worth excluding Non controlling interest	52,510	52,510
8 Any other financial item(s) (as felt appropriate by the management)	-	-

II Audit Qualification (each audit qualification separately):

a. Details of Audit Qualification:

In one of the subsidiary, Gati Kausar India Limited, the said subsidiary has provided for its obligation towards commitment fee based on the management's assessment of the likely obligation in view of the ongoing negotiation with the investor relating to the terms of the amended Bond Subscription Agreement, instead of measuring the obligation at ₹ 837 Lakhs as per the terms of the aforementioned agreement. However, in the absence of sufficient and appropriate audit evidence in support of management's assessment and pending final outcome of the negotiation referred above, we are unable to comment upon the adequacy of the provision and its consequential impact on the financial result.

b. Type of Audit Qualification: Modified Opinion

c. Frequency of qualification: Appearing for the fourth time

d. For Audit Qualification where the impact is quantified by the auditor, Management's Views: Not applicable

e. For Audit Qualification where the impact is not quantified by the auditor:

(i) Management's estimation on the impact of audit qualification: Not applicable

(ii) If management is unable to estimate the impact, reasons for the same:

1. During the year ended March 31, 2018, management of Gati Kausar India Limited (GKIL), a subsidiary of the company, had revised its business strategy to adopt an "asset light" model in place of "asset heavy" model in view of the present business scenario and keeping in view the cost benefit analysis. Accordingly, the GKIL has not drawdown the committed loan aggregating to ₹ 6,100 Lakhs from the investors. On the basis of a careful analysis of the terms of the amended Bond Subscription Agreement and the prevalent industry practice in this regard, management of GKIL has considered a provision of ₹ 30.50 Lakhs to be adequate to meet its obligations. Further, management of the GKIL is confident that no further financial obligations would dwell on GKIL. The auditors have qualified their audit report in respect of this matter.

Auditors' Comments on (i) or (ii) above: As stated in II(a) above

III Signatories:

Statutory Auditor

For Singhi & Co.

Chartered Accountants

ICAI Firm Registration No: 302049E

Anurag Singhi

Partner

Membership no: 066274

Place: Kolkata

Date: May 25, 2021

Nilesh S Vikamsey

Audit Committee Chairman

DIN: 00031213

Place: Mumbai

Shashi Kiran Shetty

Chairman and Managing Director

DIN: 00012754

Place: Mumbai

Rohan Mittal

Chief Financial Officer

Place: Hyderabad

Date: May 25th, 2021



Registered Office and Corporate Office

Gati Limited
Plot No. 20, Sy. No. 12, Kothaguda, Kondapur,
Hyderabad - 500 084, Telangana, India.
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Email: investor.services@gati.com
Website: www.gati.com
CIN: L63011TG1995PLC020121