

Annual Report 2017-18



Gati Limited

CORPORATE INFORMATION

Board of Directors

Mr. K L Chugh

Chairman

Mr. Mahendra Agarwal

Founder & CEO

Mr. N Srinivasan

Director

Dr. P S Reddy

Director

Mr. Sunil Alagh

Director

Mr. P N Shukla

Director

Mr. Yasuhiro Kaneda

Director

Ms. Sheela Bhide

Director

Key Managerial Personnel

Mahendra Agarwal

Founder & CEO

Manoj Gupta

Chief Financial Officer

Amit Pathak

Company Secretary,
Chief Investor Relations Officer &
Compliance Officer

Members of the Committees:

Audit Committee:

Mr. N Srinivasan, Chairman

Dr. P S Reddy, Member

Mr. P N Shukla, Member

Stakeholders Relationship Committee:

Mr. Sunil Kumar Alagh, Chairman

Mr. Mahendra Agarwal, Member

Nomination & Remuneration Committee:

Dr. P S Reddy, Chairman

Mr. K L Chugh, Member

Mr. P N Shukla, Member

Corporate Social Responsibility Committee:

Mrs. Sheela Bhide, Chairman

Dr. P S Reddy, Member

Mr. Mahendra Agarwal, 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:

1. State Bank of India
2. HDFC Bank Ltd
3. ICICI Bank Ltd
4. Axis Bank Ltd
5. DCB Bank Ltd
6. Syndicate Bank
7. The South Indian Bank
8. KarurVysya Bank
9. Kotak Mahindra Bank
10. Federal Bank

Registrar & Transfer Agents:

Karvy Computershare Private Limited

Karvy Selenium Tower B

Plot 31-32, Gachibowli

Financial District, Nanakramguda

Hyderabad – 500 032

Tel: 040 6716 2222 (Extn: 1583)

Fax: 040 23001153

Email: einward.ris@karvy.com

Website: www.karvycomputershare.com

CONTENTS

Notice	02
Directors' Report	09
Management Discussion and Analysis	49
Independent Auditor's Report	56
Balance Sheet	62
Statement of Profit and Loss	63
Cash Flow Statement	64
Statement of Changes in Equity	66
Notes to Financial Statements	67
Independent Auditor's Report	117
Consolidated Balance Sheet	122
Consolidated Statement of Profit and Loss	123
Consolidated Cash Flow Statement	124
Consolidated Statement of Changes in Equity.....	126
Notes to Consolidated Financial Statements	127

NOTICE

Notice is hereby given that the 23rd Annual General Meeting (AGM) of the members of Gati Limited (CIN: L63011TG1995PLC020121) (the Company) will be held on Tuesday, September 18, 2018, at 03:00 p.m., at the registered office of the Company situated at Plot No. 20, Survey No. 12, Kothaguda, Kondapur, Hyderabad, Telangana – 500084 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, 2018 and the Reports of the Board of Directors and Auditors thereon and in this regard, pass the following resolution as Ordinary Resolution:

“RESOLVED THAT the audited financial statements of the Company for the financial year ended March 31, 2018 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, 2018 and the Report of the Auditors thereon and in this regard, pass the following resolution as Ordinary Resolution.

“RESOLVED THAT the audited consolidated financial statements of the Company for the financial year ended March 31, 2018 and the report of Auditors thereon laid before this meeting, be and are hereby considered and adopted.”

3. To declare Dividend on equity shares for the financial year ended March 31, 2018 and in this regard, pass the following resolution as Ordinary Resolution:

“RESOLVED THAT a dividend at the rate of ₹ 0.90/- (Ninety Paise Only) per equity share of ₹ 2/- (Two rupees) each fully paid-up of the Company be and is hereby declared for the financial year ended March 31, 2018 and the same be paid as recommended by the Board of Directors of the Company, out of the profits of the Company for the financial year ended March 31, 2018.”

4. To appoint a Director in place of Mr. Yasuhiro Kaneda (DIN: 07619127), who retires by rotation and being eligible, offers himself for re-appointment and in this regard, pass the following resolution as Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Yasuhiro Kaneda (DIN: 07619127), who retires by rotation at this meeting and being eligible has offered himself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation.”

Special Business:

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

Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 143(8) and other applicable provisions, if any, of the Companies Act, 2013 (“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 2018-19, 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.”

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

Amit Pathak
Company Secretary
M. No. A19971

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

Place: Hyderabad
Date: May 29, 2018

NOTES:

1. The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (“Act”) setting out material facts concerning the business under Item No. 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 Director seeking appointment/re-appointment at this Annual General Meeting (“AGM”) are also annexed.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON POLL ON HIS / HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.** Pursuant to Section 105 of the Companies Act, 2013, a person can act as a Proxy on behalf of not more than fifty Members holding in aggregate not more than ten percent of the total share capital of the Company carrying voting rights. Members holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a

single person as Proxy, who shall not act as a Proxy for any other Member. If a Proxy is appointed for more than fifty Members, the Proxy shall choose any fifty Members and confirm the same to the Company not later than 48 hours before the commencement of the meeting. In case, the Proxy fails to do so, only the first fifty proxies received by the Company shall be considered as valid.

3. The instrument appointing the proxy, duly completed, must be deposited at the registered office of the company not less than forty-eight hours before the commencement of the meeting (on or before September 16, 2018, 03:00 p.m. IST). A proxy Form is annexed to this Report. Proxies submitted on behalf of Companies, Societies, etc., must be supported by an appropriate resolution / authority, as applicable.
4. During the period beginning 24 hours before the time fixed for the commencement of the AGM and until the conclusion of the meeting, a member would be entitled to inspect the proxies lodged during the business hours of the company, provided that not less than three days of notice in writing is given to the company.
5. Corporate members intending to send their authorized representatives to attend the Meeting, pursuant to section 113 of the Companies Act 2013, are requested to send to the Company a certified copy of the relevant Board Resolution together with the respective specimen signature (s) of those representative(s) authorized under the said resolution to attend and vote on their behalf at the Meeting by not less than 48 (forty eight) hours before the commencement of the Meeting.
6. Members/Proxies/Authorized Representatives are requested to bring their duly filled attendance slip along with their copy of Annual Report to the meeting. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote at the meeting.
7. The business set out in the Notice will be transacted through electronic voting system and the Company is providing facility for voting by electronic means (e-voting). Instructions and other information relating to e-voting are given in this Notice under **Note No. 29**. The Company will also send communication relating to e-voting which inter alia would contain details about User ID and password along with a copy of this Notice to the members, separately.
8. The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, September 12, 2018 to Tuesday, September 18, 2018 (both days inclusive) for the purpose of payment of dividend for the financial year ended March 31, 2018 and the AGM.
9. The members who have not surrendered their old share certificates (Issued by the then M/s. Transport Corporation of India Limited, now known as M/s. TCI Industries Ltd., the transferor Company, under the Scheme of Arrangement) are

requested to surrender their old share certificates to M/s. TCI Industries Limited, M/s. 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.

10. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act 2013, the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Companies Act, 2013 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 for inspection by the members at the meeting.
11. Members holding shares in physical mode:
 - a) are required to submit their Permanent Account Number (PAN) and bank account details to the Investor Service Department of the Company / Karvy Computershare Pvt. Ltd. ("Karvy"), if not registered with the Company as mandated by SEBI.
 - b) are advised to register the nomination in respect of their shareholding in the Company.
 - c) are requested to register / update their e-mail address with the Investor Service Department of the Company / Karvy for receiving all communications from the Company electronically.
12. Members holding shares in electronic mode:
 - a) are requested to submit their PAN and bank account details to their respective DPs with whom they are maintaining their demat accounts.
 - b) are advised to contact their respective DPs for registering the nomination.
 - c) are requested to register / update their e-mail address with their respective DPs for receiving all communications from the Company electronically.
13. Non-Resident Indian members are requested to inform M/s Karvy / respective DPs, immediately of:
 - a) Change in their residential status on return to India for permanent settlement.
 - b) 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.
14. 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 M/s. Karvy / Investor Service Department of the Company, in case the shares are held by them in physical form.

15. The Company has fixed Tuesday, September 11, 2018 as the 'Record Date' for determining entitlement of members to final dividend for the financial year ended March 31, 2018.
16. Dividend on equity shares as recommended by the Board of Directors for the financial year ended March 31, 2018, if approved at the meeting, will be paid within the stipulated time:
 - a) To all Beneficial Owners in respect of shares held in dematerialized form as per the data as may be made available by the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) as of the close of business hours on Tuesday, September 11, 2018;
 - b) To all Members in respect of shares held in physical form after giving effect to valid transfers in respect of transfer requests lodged with the Company as of the close of business hours on Tuesday, September 11, 2018;
17. SEBI vide circular no. SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018 has mandated that except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialized form with a depository. Therefore, all the Members holding shares in physical form are requested to kindly get their shares dematerialized before December 5, 2018.
18. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the M/s. Karvy / Investor Service 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.
19. The requirement to place the matter relating to appointment of Auditors for ratification by members at every Annual General Meeting is done away in accordance with the Companies Amendment Act, 2017, enforced on 7 May, 2018 by the Ministry of Corporate Affairs, New Delhi. Accordingly, no resolution is proposed for ratification of appointment of Auditors, who were appointed in the Annual General Meeting held on August 1, 2017.
20. Pursuant to the provisions of the Companies Act, 1956/2013, the Company has transferred the unpaid or unclaimed dividends for the period of seven years i.e. upto financial years 2009-10, 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 June 30, 2011 or any subsequent financial years are requested to make their claim to the office of M/s. Karvy, Registrar and Share Transfer

Agents, or the company secretary, at the company 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, as per section 124 of the Act, be transferred to the Investor Education and Protection Fund (IEPF). Shares on which dividend remain unclaimed for seven consecutive years will be transferred to the IEPF as per section 124 of the Act, and the applicable rules.

21. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 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 register the same by submitting a duly filled-in 'Shareholder Registration Form' available on the website of the Company www.gati.com to M/s. Karvy or Investor Service Department of the Company. 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.
22. The Notice of the Meeting, Annual Report along with Attendance Slip and proxy form etc. are being sent in electronic mode to Members whose email address is registered with the Company or the Depository Participant(s), unless the Members have registered their request for the hard copy of the same. Physical copy of the Notice of the Meeting, Annual Report along with Attendance Slip and proxy form etc. are being sent to those Members who have not registered their email address with the Company or Depository Participant(s). Members who have received the aforesaid documents in electronic mode are requested to print the Attendance Slip and submit a duly filled in Attendance Slip at the Registration Counter at the Meeting.
23. The Company has transferred the unpaid or unclaimed dividends declared up to financial years 2009-10, from time to time, 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 August 1, 2017 (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.
24. 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 has, during financial year 2017-18, transferred to the IEPF Authority all shares in respect of which dividend had remained unpaid or unclaimed for seven consecutive years or more as on the due date of transfer; i.e. October 31, 2017. Details of shares 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/>. 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.

25. 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://iepf.gov.in/IEPFA/refund.html> or contact M/s Karvy for lodging claim for refund of shares and / or dividend from the IEPF Authority.
26. A Route Map showing direction to reach the venue of 23rd AGM is given in the Annual Report as per the requirement of the Secretarial Standard – 2 on General Meeting.
27. Members may also note that the Notice of the 23rd AGM and the Annual report for the FY 2017-18 will be available on the company's website i.e., www.gati.com.

28. VOTING THROUGH ELECTRONIC MEANS

- a) In compliance with provisions of Section 108 of Companies Act, 2013 read with Rule 20 of Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide facility to the members to exercise their right to vote at the 23rd AGM by electronic means and the business shall be transacted through e-voting services provided by M/s. Karvy Computershare Private Limited (Karvy).
- b) The e-voting facility will be available during the following period:

Commencement of e-voting: From 9.00 a.m. (IST) on Thursday, September 13, 2018.

End of e-voting: Up to 5.00 p.m. (IST) on Monday, September 17, 2018.
- c) The e-voting will not be allowed beyond the aforesaid date and time and the e-voting module shall be disabled by Karvy upon expiry of aforesaid period.
- d) The company has appointed DVM & Associates LLP, Company Secretaries, Hyderabad, as Scrutinizer for conducting the e-voting process and voting process at the meeting (including voting through Ballot Form) in a fair and transparent manner.
- e) 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. Tuesday, September 11, 2018. 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.

- f) The login ID and password for e-voting is being sent to the members who have not registered their e-mail IDs with the Company / their respective Depository Participants along with physical copy of the Notice. Those 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.
- g) The facility for voting through ballot / polling paper shall be made available at the Meeting, to all the members attending the Meeting, who have not opted evoting facility. Further, the members who have opted evoting facility may also attend the Meeting but shall not be entitled to vote again. Kindly note that members can opt for only one form of voting i.e. either by Ballot Forms or through e-voting. If members are opting for e-voting then they should not vote by Ballot Forms and vice-versa.

However, in case members casting their vote both by e-voting and Ballot Forms, then voting done through e-voting shall prevail and voting done by Physical Ballot shall be treated as invalid.

- h) 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. , Tuesday, September 11, 2018, may obtain the User ID and password for e-voting by sending email intimating DP ID and Client ID / Folio No. at evoting@karvy.com with a copy to investor.services@gati.com. However, if you are already registered with M/s. Karvy for e-voting, you can use your existing User ID and password for casting your vote.
- i) The Chairman shall, at the meeting, at the end of discussion on the resolutions on which voting is to be held, allow voting with the help of scrutinizer, by use of 'Ballot Paper' for all those members, who are present at the meeting, but have not cast their vote by availing e-voting facility.
- j) The Scrutinizer, after scrutinising the votes cast at the meeting (Poll) and through e-voting, will, within stipulated time, make a consolidated scrutinizer's report and submit the same to the Chairman. 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 M/s. Karvy i.e. <https://evoting.karvy.com>. The results shall simultaneously be communicated to the Stock Exchanges.
- k) Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the Meeting, i.e. Tuesday, September 18, 2018.

29. Instructions and other information relating to e-voting:

The instructions for e-voting are as under:

- i) Open your web browser during the voting period and navigate to <https://evoting.karvy.com>.
- ii) Enter the login credentials (i.e. user-id & password). Your folio / DP ID - Client ID will be your User ID.

User ID	For Members holding shares in demat form: a) For NSDL: 8-character DP ID followed by 8-digit Client ID b) For CDSL: 16-digit beneficiary ID For Members holding shares in physical form: Event number; followed by Folio Number registered with the Company
Password	Your unique password is printed on the form / forwarded via email through the electronic notice
Captcha	Enter the verification code i.e. please enter the alphabets and numbers in the exact way as they are displayed for security reasons

- iii) After entering these details appropriately, click on 'LOGIN'.
- iv) Members holding shares in demat / physical form will now reach password change menu wherein they are required to mandatorily change their login password in the new password field. The new password has to be minimum eight characters consisting of at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character. Kindly note that this password can be used by the demat holders for voting for resolution of any other company on which they are eligible to vote, provided that company opts for e-voting through M/s. Karvy e-voting platform. System will prompt you to change your password and update any contact details like mobile number, email ID etc., on first login. You may also enter the secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- v) You need to login again with the new credentials.
- vi) On successful login, the system will prompt to select the 'Event' i.e. 'Company Name'.
- vii) If you are holding shares in demat form and had logged on to <https://evoting.karvy.com> and cast your vote earlier for any company, then your existing login id and password are to be used.
- viii) On the voting page, you will see Resolution description and against the same the option 'FOR / AGAINST / ABSTAIN' for voting. Enter the number of shares (which represents number of votes) under 'FOR / AGAINST / ABSTAIN' or alternatively, you may partially enter any number in 'FOR' and partially in 'AGAINST', but the total number in 'FOR / AGAINST' taken together should not exceed your total shareholding. If you do not want to cast your vote, select 'ABSTAIN'.
- ix) After selecting the resolution you have decided to vote on, click on 'SUBMIT'. A confirmation box will be displayed. If you wish to confirm your vote, click on 'OK', else to change your vote, click on 'CANCEL' and accordingly, modify your vote.
- x) Once you 'CONFIRM' your vote on the resolution, you will not be allowed to modify your vote.
- xi) Corporate / Institutional Members (Corporate / FIs / FNs / Trusts / Mutual Funds / Banks, etc.) are required to send scan (PDF format) of the relevant Board resolution to the Scrutiniser through e-mail to dvmgopal@gmail.com with copy to evoting@karvy.com. The file scanned image of the Board resolution should be in the naming format 'Corporate Name_ Event number'.
- xii) If you are already registered with Karvy for e-voting, then you can use your existing user ID and password for casting your vote. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- xiii) Please contact Karvy toll-free number 1-800-34-54-001 for any further clarifications.
- xiv) In case of any queries, you may refer to the 'Frequently Asked Questions' (FAQs) and 'e-voting user manual' available at downloads section of the e-voting website of Karvy i.e. <https://evoting.karvy.com>.

DETAILS OF DIRECTORS (SEEKING RE-APPOINTMENT)

Name of the Director	Mr.Yasuhiro Kaneda
Age	56 years
Date of Appointment	November 4, 2016
Qualifications	Commerce graduate from Meiji University
Brief Resume & Expertise in Specific functional are	Mr.Yasuhiro Kaneda joined Kintetsu World Express Inc in 1985. He has more than 10 years of working experience in various leadership positions for development of KWE business at North America. He also headed the export operations of KWE Japan market. He is a commerce graduate from Meiji University and has rich experience or more than 30 years in Freight Forwarding and Logistics Industry. Presently, he is Managing Director of KWE South East and South Asia Region.
Details of Remuneration last drawn (including commission for FY 2017-18 payable after 23rd AGM of the Company)	₹ 2,50,000/-
Date of first appointment on the Board	November 4, 2016
Relationship with other Directors/Key Managerial Person	Not related to any Directors/Key Managerial Person
Details of shares held in the Company as on 31.03.2018	Nil
Number of meetings of the Board attended during the financial year (2017-18)	3
Directorship held in the other public companies (excluding foreign companies and section 8 companies)	Nil
Membership/Chairmanship of committees of other public companies (includes only Audit Committee and Stakeholders Relationship Committee)	Nil

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

Amit Pathak
Company Secretary
M. No. A19971

Place: Hyderabad
Date: May 29, 2018

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

Explanatory Statement to the Notice of the Annual General Meeting, as per Section 102(1) of the Companies Act, 2013.

Item No. 5

The Company has branch outside India 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 at item no. 5 of the accompanying notice.

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

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

Amit Pathak
Company Secretary
M. No. A19971

Place: Hyderabad
Date: May 29, 2018

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 have great pleasure in presenting 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, 2018. The Consolidated Performance of your Company and its subsidiaries has been referred to wherever required.

Financial Highlights

Particulars	(₹ in mn)			
	Consolidated		Standalone	
	2017-18	2016-17	2017-18	2016-17
Total Income	18,136	17,014	5,247	5,240
Profit before Finance Cost, Depreciation & Amortization Expenses, Exceptional items & Tax Expenses	1,550	1,063	886	468
Less: Finance cost	470	500	193	218
Less : Depreciation and Amortization Expenses	300	298	50	51
Profit before tax & Exceptional items	780	265	643	199
Less: Exceptional items	236	-	236	-
Profit before tax	544	265	407	199
Less: Tax expenses	153	94	62	23
Profit after tax	391	171	345	176
Attributable to				
Owners of the company	342	108	345	176
Non –controlling Interest	49	63	-	-
Add: other comprehensive Income (net of Tax)	(99)	2	2	6
Total comprehensive income	292	173	347	182
Attributable to				
Owners of the company	243	110	347	182
Non –controlling Interest	49	63	-	-

Your Company has been mandated to adopt Ind AS with effect from 1st April, 2017 pursuant to Ministry of Corporate Affairs notification dated 16th February, 2015 notifying the Companies (Indian Accounting Standard) Rules, 2015.

Your Company has published Ind AS Financials for the year ended 31st March 2018 along with comparable as on 31st March 2017 and Opening Statement of Assets and Liabilities as on 1st April 2016.

The reconciliations and descriptions of the effect of the transition from previous GAAP to Ind AS have been set out in Note 42 in the notes to accounts in the standalone financial statement and in Note 54 in the notes to accounts in the consolidated financial statement.

Dividend

Your Directors have recommended dividend of 45% (₹ 0.90 per share) for the financial year ended March 31, 2018 (previous year 40%), subject to the approval of the shareholders at the ensuing annual general meeting.

Review of Operations

At standalone level, your Company recorded a revenue of ₹ 5,247 mn, EBITDA of ₹ 886 mn, PBT of ₹ 407 mn and PAT of ₹ 345 mn as against a revenue of ₹ 5,240 mn, EBITDA of ₹ 468 mn, PBT of ₹ 199 mn and PAT of ₹ 176 mn in the previous year.

During the year under review, at consolidated level, your Company achieved a revenue of ₹ 18,136 mn, EBITDA of ₹ 1,550 mn, PBT of ₹ 544 mn and PAT of ₹ 391 mn as against a revenue of ₹ 17,014 mn, EBITDA of ₹ 1,063 mn, PBT of ₹ 265 mn and PAT of ₹ 171 mn respectively in the previous year.

Company's performance

Efficient Logistics has been at the heart of India's retail internet growth. Logistics decisions influence the e-tailer's businesses in aspects ranging from standardized customer experience to unit delivery economics. The online retail market in India in 2017 was estimated at US\$17.8 billion in terms of gross merchandise value

(GMV) and grew from US\$ 14.5 billion in 2016 at the rate of 23% (Source: KPMG), signalling a rather moderate year for e-Commerce.

Consequently, with emphasis on sustaining the profitability during this period your company's e-commerce segment saw the docket volumes drop close to 40% between FY 2016-17 and FY 2017-18. However, the overall weight fell less than 10% during the same period as your company steered to increase the share of higher-weight shipments. During the year under review, the e-Commerce division of your company has recorded revenue of ₹ 1,597 mn as against ₹ 2,170 mn in the previous period.

While the domestic e-Commerce market growth has been moderate in 2017, the expected growth rate in 2018 is at 60 per cent. The impending consolidation within the e-commerce market, specially the entry of newer participants with long-term vision to become the "everything store" is expected to shape the future of domestic retail. Additionally, from your company's perspective, the entry of Supply Chain focussed enterprises is anticipated to bring about reinvention of logistics management practices in the industry. The e-commerce ecosystem is expected to progress towards collaborative logistics, and your company with its wide-ranging portfolio of services will be a formidable player in this arena.

Your company's freight forwarding division, which deals in Air/Ocean freight services coupled with Customs House agency services, saw a drop in revenues from ₹ 661 mn in FY 2016-17 to ₹ 465 mn in FY 2017-18. The scaling down of business was a deliberate move to restrict the business to direct customer business only and prevent agency-related business.

Your Company operates in petrol and diesel retail segment along with other motor parts and lubricants through its fuel stations division under the Standalone business. Presently, it runs five fuel stations mostly in South and Central India. The fuel station business grew from ₹ 2,150 mn in FY 2016-17 to ₹ 2,399 mn in FY 2017-18. Your company anticipates the increase in dealer margin to benefit the profitability of the division going forward.

Subsidiaries

Gati-Kintetsu Express Pvt Ltd. (GKEPL)

GKEPL is India's pioneer and leader in Express Distribution and Supply Chain Solutions, and offers an unmatched service offering that brings in local experience with global expertise. During the year under review, GKEPL recorded revenue of ₹ 11,695 mn, EBITDA of ₹ 743 mn and PAT of ₹ 310 mn against a revenue of ₹ 11,131 mn, EBITDA of ₹ 759 mn and PAT of ₹ 315 mn in the previous year.

At the onset of FY2017-18, the core B2B Surface Express volume grew at more than 5% over the same quarter of FY2016-17. This was a reversal from the historical seasonality, where the business experienced a volume growth from Q4 FY2016-17 to Q1 FY2017-18. Additionally, the high-yield retail portfolio contribution crossed 25% for the first time in almost eight quarters. These were positive indicators that our

business had stabilized following the implementation of the ambitious Shop-Floor automation in FY2017. However, Q2 FY2018 had a rather sluggish start across industry sector on account of GST roll-out on July 1st. The customer industry sectors themselves had to go through the transition. After the initial jitters, your company experienced a strong resurgence with core surface volumes showing double digit growth in second half of FY2018. Business Development focus on Key Enterprise Accounts (KEA), Customer Service focus on organic growth, and operations focus on de-growing and lost customers helped deliver double-digit growth across customer segment. Air volumes also showed double-digit growth in fourth quarter.

Going forward, your company is encouraged by a number of factors that will contribute to the long-term growth of the GKEPL portfolio. Adapting to the changing logistics structure in the post-GST environment, your company has taken a series of major network improvisations and combined it with an enhanced product portfolio to cater to the evolving needs of its customers across industry verticals. Your company is undertaking significant expansions across eight critical logistics nodes adding up to 8 lakh square feet. This will result in the two-fold plus increase in the distribution and warehousing capacities at these vital supply chain demand points. Your company has recently purchased 125 new trucks in March and is further looking at fuel efficient electric vehicles on a pilot basis for intra-city service operations in the next quarter. Your company, now through combination of its superior ground infrastructure and air network promises next day and same day delivery to a 100 km radius around 8 metro locations. Extending its leadership as a truly multi-modal player, your company has been awarded a new train lease tender by the Indian Railways for the Kolkata – Mumbai - Kolkata rail route starting with a 700+ tonnes capacity in a round trip. The train has been flagged off on 22nd March 2018. Your company's kiosk network increased by around 50% and coupled with other measures, resulted in an increased demand in the B2C segment of the retail business.

Gati Kausar India Ltd. (GKIL)

India's cold chain sector forms the backbone of the food processing and food service industry, providing cold storage and refrigerated transportation for a range of businesses including Packaged Foods, Quick Service Restaurants, Pharmaceuticals, Animal Protein, Fresh Fruit and Vegetables. Increasing consumer demand for quality processed food; stringent regulations for food safety and focus on Good Distribution Practices (GDP) in pharmaceuticals have all helped generate greater need for high-quality cold supply chain solutions. GKIL already has a visible presence in refrigerated transportation and serves many a number of popular brands. New Business Development and short-term strategy resulting in increased warehousing utilization on SCM and increased distance run on FTL side. The "Percentage Empty kilometres run" also has been showing a declining trend.

During the year under review, Gati Kausar recorded a revenue of ₹ 390 mn, EBITDA loss of ₹ 44 mn and Loss of ₹ 223 mn against a revenue of ₹ 441 mn, EBITDA loss of ₹ 5 mn and Loss of ₹ 155 mn in the previous period.

Going forward, the company endeavours to disrupt the Cold Chain market with such quality design and differentiated services, to build a proud Cold chain business. A network of Refrigerated Express Distribution Centers across the country will help your company provide differentiated, end-to-end Cold Chain solutions to customers, by providing time-definite cold chain delivery services.

Gati Import Export Trading Limited (GIETL)

GIETL, Wholly-Owned Subsidiary, works with select clients to provide innovative GST-ready approaches to traditional distribution and facilitate regional access to global enterprises. For FY 2017-18, due to volume increases from key customers, revenues increased from ₹ 592 mn in FY 2016-17 to ₹ 792 mn in FY 2017-18. Your company's strategy is to grow the high-yield Importer of Record (IOR) services for overseas sellers looking to grow their e-Commerce market in India.

Gati Asia Pacific Pte. Ltd. (APAC)

Your company's APAC subsidiary revenues increased from ₹ 444 mn in FY 2016-17 to ₹ 767 mn in FY 2017-18, mainly supported by China-India express volume increase due to growing cross-border e-commerce. Going forward, your company will continue to support sellers on online platforms to participate in Cross-Border e-Commerce to grow APAC volumes.

Consolidated Financial Statements (CFS)

During the year, the Board of Directors reviewed the affairs of the subsidiaries. In accordance with Section 129(3) of the Companies Act, 2013, your company has prepared the consolidated financial statements of the company, which forms part of this Annual Report in compliance with applicable provisions of the Companies Act, 2013, read with the Rules issued thereunder; applicable accounting standards and the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as the "Listing Regulations"). Your Company and its subsidiaries has adopted Ind AS from April 1, 2017 and accordingly, the consolidated financial statements have been prepared on the basis of audited financial statements of your Company, its subsidiaries, as approved by the respective Board of Directors. The Consolidated Financial Statements together with the Auditors' Report form part of this Annual Report.

A separate statement containing the salient features of financial statement of all subsidiaries of the company in the prescribed Form AOC – I forms a part of consolidated financial statements in compliance with Section 129(3) and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014. The said Form also highlights the financial performance of each of the subsidiaries is included in the consolidated financial statements of the Company pursuant to Rule 8(1) of the Companies (Accounts) Rules, 2014.

In accordance with Section 136 of the Companies Act, 2013, the financial statements of the subsidiary companies are available for inspection by the members at the Registered Office of the company

during the business hours on all days except Saturdays, Sundays and public holidays upto the date of the Annual General Meeting ('AGM'). Any member desirous of obtaining a copy of the said financial statements may write to the Company Secretary at the Registered Office of the Company. The financial statements including the consolidated financial statements, and all other documents required to be attached to this report have been uploaded on the website of the Company (www.gati.com).

Reserves

On a standalone basis, your directors have decided to retain the entire amount of ₹ 344.76 mn in the retained earnings.

Fixed deposits (FD)

As on March 31, 2018, fixed deposits of your Company stood at ₹ 145.76 mn out of which ₹ 9.31 mn 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 ₹ 93.21 mn. 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 Companies Act, 2013. The current fixed deposits carry a rating of "A Minus" issued by Credit Analysis and Research Limited (CARE).

Directors and Key Managerial Personnel (KMP)

In accordance with the provisions of Section 152 of the Companies Act, 2013, Mr. Yasuhiro Kaneda, Director, who retires by rotation and being eligible, has offer himself for re-appointment.

In compliance with Regulation 36(3) of the Listing Regulations, brief resume of all the Director proposed to be appointed / re-appointed are attached along with the Notice of the ensuing Annual General Meeting.

Apart from the above, there have been no changes in Directors and KMP.

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 Companies Act, 2013 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 report.

The information required under section 197 of the Companies Act, 2013 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

Declaration on Independent Directors

Pursuant to sub section (6) of Section 149 of the Companies Act, 2013 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.

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.

Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and the Listing Regulations, the evaluation of all the directors and the Board as a whole was conducted based on the criteria and framework adopted by the Board and in line with the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India on January 5, 2017. The evaluation process has been explained in the Corporate Governance Report.

Board Committees

Detailed composition of the Board committees namely Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Stakeholders Relationship Committee and Foreign Currency Convertible 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.

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.

Particulars of Loans, Guarantees and Investments

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014, forms part of the Financial Statements.

Corporate Social Responsibility (CSR)

In terms of section 135 and Schedule VII of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014 made thereunder, the Board of Directors of your Company have constituted a CSR Committee.

The brief outline of the Corporate Social Responsibility (CSR) Policy of your Company and the initiatives undertaken on CSR activities during the year are set out in **Annexure-B** of this report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014. The policy is available on the Company's website.

Related Party Transactions

In line with the requirements of the Companies Act, 2013 and Listing Regulations, your Company has formulated a Policy on Related Party Transactions which is also available on the Company's website at www.gati.com. 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 statement, were entered during the year by your Company. Accordingly, the disclosure of Related Party Transactions as required under Section 134(3)(h) of the Companies Act, 2013, in Form AOC-2 is not applicable.

Meetings of the Board and Committees

Five 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 report.

Vigil Mechanism

The Whistle-blower Policy has been approved and adopted by Board of Directors of the Company in compliance with the provisions of Section 177 (10) of the Companies Act, 2013 and Regulation 22 of the Listing Regulations. Further, the Whistle-blower Policy is available on the website of your company at www.gati.com.

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 constituted Internal Committees (IC).

The Company has taken several initiative across the organization to build awareness amongst employees about the Policy and the provisions of Prevention of Sexual Harassment of Women at Workplace Act.

During the financial year 2017-18, no complaint of sexual harassment were received by the Company.

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

Directors' Responsibility Statement

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

1. That in the preparation of the Accounts for the financial year ended March 31, 2018, the applicable accounting standards and schedule III of the Companies Act, 2013 (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;
2. That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company as at March 31, 2018 and of the profit and loss of the Company for the financial year ended March 31, 2018;
3. That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 (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;
4. That the accounts have been prepared on 'going concern' basis;
5. 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;

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

Extract of Annual Return

The details forming part of the extract of the Annual Return in Form MGT-9 in accordance with Section 92(3) of the Companies Act, 2013, read with Companies (Management and Administration) Rules, 2014, is annexed as **Annexure – C**.

Development and Implementation of 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 threaten 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.

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 Companies Act, 2013) for the financial year ended March 31, 2018, which forms part to the Statutory Auditors Report.

Investor Education and Protection Fund

Pursuant to the applicable provisions of the Companies Act, 2013, 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 has transferred the unclaimed and unpaid dividend of ₹ 3,77,727/- pertaining to the FY 2009-10. Further, 4,55,138 corresponding shares were transferred as per the requirement of IEPF rules. The details are also available on our website i.e. www.gati.com.

Auditors

a) Statutory Auditors

M/s. Singhi & Co., Chartered Accountants, (Firm Registration No. 304045E), were appointed as Statutory Auditors of the Company at the 22nd AGM till the conclusion of the 27th AGM. In accordance with the Companies Amendment Act, 2017, enforced on 7th May, 2018 by the Ministry of Corporate Affairs, the appointment of Statutory Auditors is not required to be ratified at every Annual General Meeting.

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.

The Auditors' Report for the financial year ended March 31, 2018 on the financial statement of the Company is a part of this Annual Report. The Auditors have given a qualified opinion on the standalone and consolidated financial statements of the Company, as described below:

- (i) Auditors Qualification and Emphasis of Matter given in point no. 6 & 8 of the Auditor's Report on standalone financial statements read with Note 6, 13 & 16(f) of the standalone financial statements, are self-explanatory and do not call for any further comments.
- (ii) Auditors Qualification and Emphasis of Matter given in point no. 6 & 8 of the Auditor's Report on consolidated financial statements read with Note 18, 35, 59 & 60 of the consolidated financial statements, are self-explanatory and do not call for any further comments.

b) Secretarial Audit

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of

Managerial Personnel) Rules, 2014, your Company has appointed M/s. DVM & Associates LLP, to undertake the Secretarial Audit of your Company. The Report of the Secretarial Audit is annexed as **Annexure – D**. The Secretarial Auditors have given a qualified opinion which is described as below:

"During the year under review the Company have a slight delay in filling up vacancy in the office of Chief Financial Officer as required under Section 203(4) of the Companies Act, 2013."

Board's Comment:

The company has taken on board Mr. Manoj Gupta, Chief Financial Officer (CFO) w.e.f. 1st May, 2018 i.e. within the period of six month from the date of resignation of the earlier CFO in compliance of the Section 203(4) of the Companies Act, 2013 and his appointment as CFO has been approved by the Board of Directors at their meeting held on 6th May, 2018.

Further, M/s. dvmgopal & Associates, Practising Company Secretaries, carries out Reconciliation of Share Capital Audit every quarter and the report thereon is submitted to the Stock Exchanges.

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

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

Employees Stock Option Scheme

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 2017-18. The Company has received a certificate from the Auditors of the Company 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 are put on the Company's website and may be accessed at: www.gati.com.

Conversion of Zero Coupon unsecured Foreign Currency Convertible Bonds (FCCB)

Your company had 22,182 No's of outstanding Zero Coupon unsecured Foreign Currency Convertible Bonds (FCCB) at the start of the year, which was due for conversion/redemption in Nov 2016/Dec 2016. In the current Financial Year, the company and the bondholders has entered into a settlement agreement dated May 16, 2017, which has been approved by the Lok Adalat, City Civil Court Legal Service Authority, Hyderabad on June 3, 2017.

Accordingly, during the year under review all the outstanding 22,182 No's of FCCB are redeemed/converted as follows:-

- a. 7,528 No's of FCCB are redeemed as per the redemption notice received from the bondholders amounting to USD 99,99,750 in accordance with the terms of the FCCBs set out in the offer circular dated December 12, 2011.
- b. Allotment of 99,99,499 equity shares of ₹ 2/- each upon conversion of 7,373 No's of FCCB as per the conversion notice received from the bondholders in accordance with the terms of the FCCBs set out in the offer circular dated December 12, 2011.
- c. Allotment of 98,74,726 equity shares of ₹ 2/- each upon conversion of 7,281 No's of FCCB as per the conversion notice received from the bondholders in accordance with the terms of the FCCBs set out in the offer circular dated December 12, 2011.

Further, there are no FCCBs outstanding as on March 31, 2018.

Change in Capital Structure and Listing at Stock Exchanges

The equity shares of your Company continue to be listed and traded on the BSE Ltd. (BSE) and National Stock Exchange of India Ltd. (NSE). During the financial year under review, 2,90,516 equity shares were allotted on exercise of the options vested under the Employee Stock Option Scheme and 1,98,74,225 equity shares were allotted upon conversion of 14,654 No's of Foreign Currency Convertible Bonds (FCCBs) and admitted for trading on NSE and BSE. Consequently, the Equity Share Capital of your Company increased from ₹ 17,63,64,108/- comprising of 8,81,82,054 equity shares of ₹ 2/- each to ₹ 21,66,93,590/- comprising of 10,83,46,795 equity shares of ₹ 2/- each as on March 31, 2018.

Board Policies

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

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 the Listing Regulations, forms part of the Annual Report and is annexed as **Annexure - G**. 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.

Management Discussion and Analysis (MD&A)

MD & A Report for the financial year under review, as stipulated under Regulation 34 of the Listing Regulations, is presented in a

separate section and forms part of the Annual Report.

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 save and except ESOS referred to in this Report.
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 Companies Act, 2013 (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, 2018) and the date of the report (May 29, 2018).

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. 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

K L Chugh

Chairman

DIN: 00140124

Place: Hyderabad

Date: May 29, 2018

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 2017-18 and percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer and Company Secretary during the financial year 2017-18, 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 2017-18
Mr. Mahendra Agarwal - Founder & CEO ^(%)	NA	NA
Mr. Manoj Gupta, CFO ^(\$)	^	^^
Mr. Amit Pathak, Company Secretary	18.65:1	7.70%

(%) Mr. Mahendra Agarwal is drawing remuneration from GKEPL, Subsidiary Company.

(\$) Appointed as the CFO w.e.f. 6 May, 2017.

^ Since the remuneration is only for part of the year, the ratio of their remuneration to median remuneration and % increase in remuneration is not comparable and hence, not stated.

^^ Remuneration received in FY18 is not comparable with remuneration received in FY17 owing to his appointment w.e.f. May 06, 2017 and hence, not stated.

- ii) The median remuneration is ₹ 0.21 mn and the percentage increase in the median remuneration of employees in the financial year is 4.16%.

- iii) The number of permanent employees on the rolls of company as on March 31, 2018: 574.

- 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 2017-18.

ANNEXURE - C

FORM NO. MGT-9

Extract of Annual Return

As on the financial year ended March 31, 2018

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

I. Registration and Other Details

i)	CIN	L63011TG1995PLC020121
ii)	Registration Date	April 25, 1995
iii)	Name of the Company	Gati Limited
iv)	Category / Sub-Category of the Company	Public Company/Company having share capital, Indian Non-Government Company.
v)	Address of the Registered Office and Contact details	Plot no. 20, Sy. No. 12, Kothaguda, Kondapur, Hyderabad - 500 084 Tel. No. 040 7120 4284 Fax. No. 040 2311 2318 Email id: investorservices@gati.com Website: www.gati.com
vi)	Whether listed Company	Yes a) BSE Limited & b) National Stock Exchange of India Limited
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	Karvy Computershare Private Limited Karvy Selenium Tower B Plot 31-32, Gachibowli Financial District, Nanakramguda, Hyderabad – 500 032 Tel No: 040 6717 2222 (Extn:1583) Fax No. 040 2300 1153 Email id: einward.ris@karvy.com Website: www.karvycomputershare.com

II. Principle Business Activity of the Company

S. No	Name and Description of main products / services	NIC Code of the product / service	% to total turnover of the Company
1	Cargo handling incidental to land, water & air transport.	52241, 52242, 52243	46.22%
2	Retail sale of automotive fuel in specialized store (including the activity of petrol filling stations)	47300	53.78%

III. Particulars of Holding, Subsidiary and Associate Companies

S. No	Name and Address of the Company & PIN	CIN / GLN	Holding / Subsidiary / Associate	% of Shares held	Applicable Section of Companies Act, 2013
1)	Gati-Kintetsu Express Pvt. Ltd., First floor, Plot no.20, Sy. no.12, Kothaguda, Kondapur, Hyderabad-500 084	U62200TG2007PTC056311	Subsidiary	70.00	2 (87)
2)	Gati Kausar India Ltd., I-7-285, M. G. Road, Secunderabad-500 003	U74899TG1984PLC089495	Subsidiary	79.88	2 (87)
3)	Gati Import Export Trading Ltd., I-7-293, M. G. Road, Secunderabad-500 003	U60232TG2008PLC057692	Subsidiary	100.00	2 (87)
4)	Zen Cargo Movers Pvt. Ltd., AG- 50, Sanjay Gandhi Transport Nagar, G.T. Karnal Road, New Delhi-110 042	U64120DL2007PTC160560	Subsidiary	100.00	2 (87)
5)	Gati Logistics Parks Pvt. Ltd., I-7-293, M. G. Road, Secunderabad-500 003	U63030TG2011PTC072285	Subsidiary	100.00	2 (87)
6)	Gati Projects Pvt. Ltd., I-7-293, M. G. Road, Secunderabad-500 003	U45400TG2011PTC072399	Subsidiary	100.00	2 (87)
7)	Gati Asia Pacific Pte Ltd., (GAP), 3 Changi North Street 2, #01-01 LogisTech Singapore – 498 827	Foreign Company	Subsidiary	100.00	2 (87)
8)	Gati Hong Kong Ltd., Unit 29 UP, 7/F Metro Centre II No. 21, Lam Hing Street, Kowloon Bay, Hong Kong	Foreign Company	Subsidiary	100.00 of GAP	2 (87)
9)	Gati Cargo Express (Shanghai) Co. Ltd., Ground Floor, East Gate, No. 399 Huqingping Road, Shanghai China, 201 105	Foreign Company	Subsidiary	100.00 of GAP	2 (87)
10)	Gati Ship Ltd., I-7-293, M.G.Road, Secunderabad-500 003	U61100TG2010PLC070699	Associate	47.95	2 (6)
11)	Gati (Thailand) Ltd., 88,AP,Nakarintr building, 11th floor, Unit 2, Soi Lasalle 58, Bangana Bangkok, 10260, Thailand.	Foreign Company	Subsidiary	49.00	2 (87)

IV. Share Holding Pattern (Equity share capital breakup as percentage of Total Equity)

i) Category-wise shareholding

Category of Shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A Promoters									
(1) Indian									
a) Individual / HUF	7830183	-	7830183	8.88	7135683	-	7135683	6.59	(2.29)
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	11586481	-	11586481	13.14	9616117	-	9616117	8.88	(4.26)
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other (Trusts)	13320787	-	13320787	15.11	10215101	-	10215101	9.43	(5.68)
Sub-Total (A) (1)	32737451		32737451	37.13	26966901	-	26966901	24.90	(12.23)
(2) Foreign									
a) Foreign	-	-	-	-	-	-	-	-	-
b) NRI - Individual	-	-	-	-	-	-	-	-	-
c) Other - Individual	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
Sub-Total (A) (2)	-	-	-	-	-	-	-	-	-
Total promoter shareholding (A) = (A)(1) + (A)(2)	32737451		32737451	37.13	26966901	-	26966901	24.90	(12.23)
B Public Shareholding									
(1) Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	245983	53745	299728	0.34	251389	53145	304534	0.28	(0.06)
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.	-	-	-	-	-	-	-	-	-
e) Venture Capital Fund	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	7267072	2885	7269957	8.25	7252557	745	7253302	6.69	(1.56)
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (Specify)	-	-	-	-	-	-	-	-	-
Sub-Total (B) (1)	7513055	56630	7569685	8.59	7503946	53890	7557836	6.97	(1.62)
(2) Non-Institutional									
a) Bodies Corporate									
i) Indian	6263554	30090	6293644	7.14	8036406	19860	8056266	7.44	0.30
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 Lakh	26179079	1257692	27436771	31.11	31639898	825397	32465295	29.96	(1.15)
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 Lakh	5152793	-	5152793	5.84	5417096	-	5417096	5.00	(0.84)

Category of Shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
c) Others (specify)									
Clearing Members	602058	-	602058	0.68	502334		502334	0.46	(0.22)
Director	344000	-	344000	0.39	239000	-	239000	0.22	(0.17)
Foreign Bodies	4329114	-	4329114	4.91	4329114	-	4329114	4.00	(0.91)
FCB	-	-	-	-	18972331	-	18972331	17.51	17.51
Foreign Nationals	1262	-	1262	0.00	360	-	360	0.00	0.00
IEPF	-	-	-	-	455138	-	455138	0.42	0.42
Non Resident Indians	3183745	132565	3316310	3.76	1339215	105220	1444435	1.33	(2.43)
NRI Non-repatriation	353262	-	353262	0.40	1877683	-	1877683	1.73	1.33
Trusts	11155	-	11155	0.01	7055	-	7055	0.01	0.00
NBFC	34549	-	34549	0.04	55951	-	55951	0.05	0.01
d) Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
Sub-Total (B)(2)	46454571	1420347	47874918	54.28	72871581	950477	73822058	68.13	13.85
Total Public shareholding (B) = (B)(1) + (B)(2)	53967626	1476977	55444603	62.87	80375527	1004367	81379894	75.10	12.23
C Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	86705077	1476977	88182054	100.00	107342428	1004367	108346795	100.00	-

ii) Shareholding of Promoters

Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
	No. of shares	% of total shares of the Company	% of shares pledged / encumbered to total shares	No. of shares	% of total shares of the Company	% of shares pledged / encumbered to total shares	
TCI Finance Limited	5523205	6.26	6.13	4682455	4.32	4.06	(1.94)
Mahendra Investments Advisors Private Limited	3735991	4.24	4.23	3091377	2.86	2.86	(1.38)
Mahendra Kumar Agarwal	3834188	4.35	4.33	3184188	2.94	2.93	(1.41)
Mahendra Kumar Agarwal (HUF)	3995995	4.53	4.48	3951495	3.65	3.64	(0.88)
Dhruv Agarwal Benefit Trust	3685450	4.18	4.17	2461200	2.27	2.24	(1.91)
Manish Agarwal Benefit Trust	4035342	4.58	4.25	2153906	1.99	1.90	(2.59)
Bunny Investments And Finance Private Limited	1454972	1.65	1.58	1454972	1.34	1.31	(0.31)
Jubilee Commercial & Trading Pvt. Ltd.	872313	0.99	0.99	387313	0.36	0.36	(0.63)
Neera and Children Trust	5599995	6.35	--	5599995	5.17	--	(1.18)
Total	32737451	37.13	30.16	26966901	24.90	19.29	(12.23)

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

Shareholder's Name	Shareholding at the beginning of the year		Date wise increase / (decrease) in promoter shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.)			Cumulative shareholding at the end of the year	
	No. of shares	% of total shares of the Company	Date	No. of shares	Nature	No. of shares	% of total shares of the Company
TCI Finance Limited	5523205	6.26	21.07.2017	(10750)	Transfer/sell	5512455	5.60
			24.11.2017	(805000)	Transfer/sell	4707455	4.35
			23.03.2018	(25000)	Transfer/sell	4682455	4.32
			31.03.2018	---	---	4682455	4.32
Mahendra Investments Advisors Private Limited	3735991	4.24	31.10.2017	(15000)	Transfer/sell	3720991	3.44
			24.11.2017	(593414)	Transfer/sell	3127577	2.89
			01.12.2017	(18600)	Transfer/ sell	3108977	2.87
			29.12.2017	(17600)	Transfer/sell	3091377	2.85
			31.03.2018	--	--	3091377	2.85
Mahendra Kumar Agarwal	3834188	4.35	02.02.2018	(150000)	Transfer/sell	3684188	3.40
			30.03.2018	(500000)	Transfer/sell	3184188	2.94
			31.03.2018	--	--	3184188	2.94
Mahendra Kumar Agarwal (HUF)	3995995	4.53	09.06.2017	20000	Transfer/buy	4015995	4.54
			09.06.2017	(20000)	Transfer/buy	3995995	4.52
			04.08.2017	25000	Transfer/buy	4020995	4.09
			04.08.2017	(25000)	Transfer/sell	3995995	4.06
			31.10.2017	(13000)	Transfer/sell	3982995	3.68
			24.11.2017	(16100)	Transfer/sell	3966895	3.66
			15.12.2017	(50000)	Transfer/sell	3916895	3.62
			22.12.2017	50000	Transfer/buy	3966895	3.66
			29.12.2017	(15400)	Transfer/sell	3951495	3.65
			31.03.2018	--	--	3951495	3.65
Dhruv Agarwal Benefit Trust	3685450	4.18	14.04.2017	(160000)	Transfer/sell	3525450	4.00
			21.04.2017	(131000)	Transfer/sell	3394450	3.85
			23.06.2017	(118000)	Transfer/sell	3276450	3.71
			01.09.2017	7500	Transfer/Buy	3283950	3.34
			08.09.2017	14900	Transfer/Buy	3298850	3.35
			22.09.2017	(85000)	Transfer/sell	3213850	2.97
			24.11.2017	(675150)	Transfer/sell	2538700	2.35
			09.03.2018	(15000)	Transfer/sell	2523700	2.33
			30.03.2018	(62500)	Transfer/sell	2461200	2.27
			31.03.2018	-	--	2461200	2.27
Manish Agarwal Benefit Trust	4035342	4.58	01.09.2017	5000	Transfer/Buy	4040342	4.11
			08.09.2017	17500	Transfer/Buy	4057842	4.13
			29.09.2017	(100000)	Transfer/sell	3957842	3.66
			24.11.2017	(1726436)	Transfer/sell	2231406	2.06
			09.03.2018	(15000)	Transfer/sell	2216406	2.05
			30.03.2018	(62500)	Transfer/sell	2153906	1.99
			31.03.2018	--	--	2153906	1.99
Bunny Investments And Finance Private Limited	1454972	1.65	--	--	--	1454972	1.34
Jubilee Commercial & Trading Pvt. Ltd.	872313	0.99	29.09.2017	100000	Transfer/buy	972313	0.90
			30.03.2018	(585000)	Transfer/sell	387313	0.36
			31.03.2018	--	--	387313	0.36
Neera and Children Trust	5599995	6.35	--	--	--	5599995	5.17

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

S. No	Shareholder's Name	Shareholding at the beginning of the Year		Date wise increase / (decrease) in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.)			Cumulative Shareholding at the end of the year	
		No. of shares	% of total shares of the Company	Date	No. of shares	Nature	No. of shares	% of total shares of the Company
1	BAY CAPITAL INDIA FIXED INCOME FUND LTD	--	--	15/09/2017	98,74,726	Transfer/Buy	98,74,726	9.12
				31/03/2018	--	--	98,74,726	9.11
2	GOLDMAN SACHS INTERNATIONAL	--	--	07/07/2017	90,97,605	Transfer/Buy	90,97,605	9.25
				31/03/2018	--	--	90,97,605	8.40
3	NEW HORIZON OPPORTUNITIES MASTER FUND	50,00,000	5.67	--	--	--	50,00,000	5.67
				31/03/2018	--	--	50,00,000	4.61
4	KINTETSU WORLD EXPRESS INC	43,29,114	4.91	--	--	--	43,29,114	4.91
				31/03/2018	--	--	43,29,114	4.00
5	AMAL N PARIKH	19,35,203	2.19	24/11/2017	-3,25,000	Transfer/Sale	16,10,203	1.49
				12/01/2018	-50,000	Transfer/Sale	15,60,203	1.44
				19/01/2018	-1,50,000	Transfer/Sale	14,10,203	1.30
				31/03/2018	--	--	14,10,203	1.30
6	PRAVEEN K MANIVANNAN	8,00,200	0.91	--	--	--	8,00,200	0.91
				31.03.2018	--	--	8,00,200	0.74
7	KARVY STOCK BROKING LIMITED BROKING	6,64,914	0.75	07/04/2017	23,105	Transfer/Buy	6,88,019	0.78
				07/04/2017	-5,523	Transfer/Sale	6,82,496	0.77
				14/04/2017	18,000	Transfer/Buy	7,00,496	0.79
				14/04/2017	-12,669	Transfer/Sale	6,87,827	0.78
				21/04/2017	7,526	Transfer/Buy	6,95,353	0.79
				21/04/2017	-2,902	Transfer/Sale	6,92,451	0.79
				28/04/2017	3,849	Transfer/Buy	6,96,300	0.79
				28/04/2017	-18,437	Transfer/Sale	6,77,863	0.77
				05/05/2017	13,105	Transfer/Buy	6,90,968	0.78
				05/05/2017	-2,999	Transfer/Sale	6,87,969	0.78
				12/05/2017	1,485	Transfer/Buy	6,89,454	0.78
				12/05/2017	-5,293	Transfer/Sale	6,84,161	0.78
				19/05/2017	4,384	Transfer/Buy	6,88,545	0.78
				19/05/2017	-15,786	Transfer/Sale	6,72,759	0.76
				26/05/2017	14,699	Transfer/Buy	6,87,458	0.78
				26/05/2017	-2,503	Transfer/Sale	6,84,955	0.78
				02/06/2017	23,799	Transfer/Buy	7,08,754	0.80
				02/06/2017	-9,360	Transfer/Sale	6,99,394	0.79
				09/06/2017	6,441	Transfer/Buy	7,05,835	0.80
				09/06/2017	-2,967	Transfer/Sale	7,02,868	0.80
				16/06/2017	7,529	Transfer/Buy	7,10,397	0.80
				16/06/2017	-2,343	Transfer/Sale	7,08,054	0.80
				23/06/2017	2,182	Transfer/Buy	7,10,236	0.80
				23/06/2017	-26,645	Transfer/Sale	6,83,591	0.77
				30/06/2017	22,284	Transfer/Buy	7,05,875	0.80
				30/06/2017	-6,412	Transfer/Sale	6,99,463	0.79
				07/07/2017	36,471	Transfer/Buy	7,35,934	0.75

S. No	Shareholder's Name	Shareholding at the beginning of the Year		Date wise increase / (decrease) in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.)			Cumulative Shareholding at the end of the year	
		No. of shares	% of total shares of the Company	Date	No. of shares	Nature	No. of shares	% of total shares of the Company
				07/07/2017	-4,209	Transfer/Sale	7,31,725	0.74
				14/07/2017	18,441	Transfer/Buy	7,50,166	0.76
				14/07/2017	-25,255	Transfer/Sale	7,24,911	0.74
				21/07/2017	13,936	Transfer/Buy	7,38,847	0.75
				21/07/2017	-13,149	Transfer/Sale	7,25,698	0.74
				28/07/2017	12,612	Transfer/Buy	7,38,310	0.75
				28/07/2017	-7,812	Transfer/Sale	7,30,498	0.74
				04/08/2017	22,551	Transfer/Buy	7,53,049	0.77
				04/08/2017	-14,164	Transfer/Sale	7,38,885	0.75
				11/08/2017	14,336	Transfer/Buy	7,53,221	0.77
				11/08/2017	-39,705	Transfer/Sale	7,13,516	0.73
				18/08/2017	1,592	Transfer/Buy	7,15,108	0.73
				18/08/2017	-13,707	Transfer/Sale	7,01,401	0.71
				25/08/2017	15,007	Transfer/Buy	7,16,408	0.73
				25/08/2017	-9,573	Transfer/Sale	7,06,835	0.72
				01/09/2017	27,835	Transfer/Buy	7,34,670	0.75
				01/09/2017	-23,172	Transfer/Sale	7,11,498	0.72
				08/09/2017	13,007	Transfer/Buy	7,24,505	0.74
				08/09/2017	-33,096	Transfer/Sale	6,91,409	0.70
				15/09/2017	20,498	Transfer/Buy	7,11,907	0.66
				15/09/2017	-18,031	Transfer/Sale	6,93,876	0.64
				22/09/2017	4,664	Transfer/Buy	6,98,540	0.65
				22/09/2017	-11,653	Transfer/Sale	6,86,887	0.63
				29/09/2017	38,252	Transfer/Buy	7,25,139	0.67
				29/09/2017	-30,765	Transfer/Sale	6,94,374	0.64
				06/10/2017	500	Transfer/Buy	6,94,874	0.64
				06/10/2017	-4,363	Transfer/Sale	6,90,511	0.64
				13/10/2017	3,654	Transfer/Buy	6,94,165	0.64
				13/10/2017	-14,748	Transfer/Sale	6,79,417	0.63
				20/10/2017	6,948	Transfer/Buy	6,86,365	0.63
				20/10/2017	-5,682	Transfer/Sale	6,80,683	0.63
				27/10/2017	2,000	Transfer/Buy	6,82,683	0.63
				27/10/2017	-6,624	Transfer/Sale	6,76,059	0.62
				31/10/2017	2,849	Transfer/Buy	6,78,908	0.63
				31/10/2017	-5,631	Transfer/Sale	6,73,277	0.62
				03/11/2017	16,917	Transfer/Buy	6,90,194	0.64
				03/11/2017	-4,277	Transfer/Sale	6,85,917	0.63
				10/11/2017	18,718	Transfer/Buy	7,04,635	0.65
				10/11/2017	-37,362	Transfer/Sale	6,67,273	0.62
				17/11/2017	24,159	Transfer/Buy	6,91,432	0.64
				17/11/2017	-19,311	Transfer/Sale	6,72,121	0.62

S. No	Shareholder's Name	Shareholding at the beginning of the Year		Date wise increase / (decrease) in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.)			Cumulative Shareholding at the end of the year	
		No. of shares	% of total shares of the Company	Date	No. of shares	Nature	No. of shares	% of total shares of the Company
				24/11/2017	80,332	Transfer/Buy	7,52,453	0.70
				24/11/2017	-32,897	Transfer/Sale	7,19,556	0.66
				01/12/2017	828	Transfer/Buy	7,20,384	0.67
				01/12/2017	-43,364	Transfer/Sale	6,77,020	0.63
				08/12/2017	59,704	Transfer/Buy	7,36,724	0.68
				08/12/2017	-53,678	Transfer/Sale	6,83,046	0.63
				15/12/2017	6,448	Transfer/Buy	6,89,494	0.64
				15/12/2017	-33,301	Transfer/Sale	6,56,193	0.61
				22/12/2017	31,244	Transfer/Buy	6,87,437	0.63
				22/12/2017	-9,608	Transfer/Sale	6,77,829	0.63
				29/12/2017	34,785	Transfer/Buy	7,12,614	0.66
				29/12/2017	-52,292	Transfer/Sale	6,60,322	0.61
				05/01/2018	25,327	Transfer/Buy	6,85,649	0.63
				05/01/2018	-5,076	Transfer/Sale	6,80,573	0.63
				12/01/2018	51,155	Transfer/Buy	7,31,728	0.68
				12/01/2018	-25,672	Transfer/Sale	7,06,056	0.65
				19/01/2018	6,707	Transfer/Buy	7,12,763	0.66
				19/01/2018	-80,877	Transfer/Sale	6,31,886	0.58
				26/01/2018	82,667	Transfer/Buy	7,14,553	0.66
				26/01/2018	-3,407	Transfer/Sale	7,11,146	0.66
				02/02/2018	5,931	Transfer/Buy	7,17,077	0.66
				02/02/2018	-27,816	Transfer/Sale	6,89,261	0.64
				09/02/2018	13,505	Transfer/Buy	7,02,766	0.65
				09/02/2018	-4,296	Transfer/Sale	6,98,470	0.64
				16/02/2018	35,466	Transfer/Buy	7,33,936	0.68
				16/02/2018	-23,308	Transfer/Sale	7,10,628	0.66
				23/02/2018	870	Transfer/Buy	7,11,498	0.66
				23/02/2018	-4,770	Transfer/Sale	7,06,728	0.65
				02/03/2018	2,093	Transfer/Buy	7,08,821	0.65
				02/03/2018	-2,751	Transfer/Sale	7,06,070	0.65
				09/03/2018	13,343	Transfer/Buy	7,19,413	0.66
				09/03/2018	-1,608	Transfer/Sale	7,17,805	0.66
				16/03/2018	5,277	Transfer/Buy	7,23,082	0.67
				16/03/2018	-8,878	Transfer/Sale	7,14,204	0.66
				23/03/2018	2,388	Transfer/Buy	7,16,592	0.66
				23/03/2018	-15,586	Transfer/Sale	7,01,006	0.65
				30/03/2018	11,732	Transfer/Buy	7,12,738	0.66
				30/03/2018	-4,198	Transfer/Sale	7,08,540	0.65
				31/03/2018	-1,28,000	Transfer/Sale	5,80,540	0.54
				31/03/2018			5,80,540	0.54

S. No	Shareholder's Name	Shareholding at the beginning of the Year		Date wise increase / (decrease) in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.)			Cumulative Shareholding at the end of the year	
		No. of shares	% of total shares of the Company	Date	No. of shares	Nature	No. of shares	% of total shares of the Company
8	DIMENSIONAL EMERGING MARKETS VALUE FUND	6,26,607	0.71	16/06/2017	-10,798	Transfer/Sale	6,15,809	0.70
				30/06/2017	-42,994	Transfer/Sale	5,72,815	0.65
				07/07/2017	-43,277	Transfer/Sale	5,29,538	0.54
				22/09/2017	16,572	Transfer/Buy	5,46,110	0.50
				05/01/2018	23,235	Transfer/Buy	5,69,345	0.53
				16/03/2018	16,202	Transfer/Buy	5,85,547	0.54
				31/03/2018	--	-	5,85,547	0.54
9	M. R. NAVEEN	6,17,820	0.70	16/02/2018	-3,00,000	Transfer/Sale	3,17,820	0.29
				31/03/2018			3,17,820	0.29
10	RELIANCE FINANCIAL LIMITED	-	0.00	09/03/2018	14,000	Transfer/Buy	14,000	0.01
				30/03/2018	5,71,000	Transfer/Buy	5,85,000	0.54
				31/03/2018	--	-	5,85,000	0.54
11	EMERGING MARKETS CORE EQUITY PORTFOLIO	5,42,241	0.61	18/08/2017	-12,562	Transfer/Sale	5,29,679	0.54
				08/09/2017	-6,946	Transfer/Sale	5,22,733	0.53
				09/02/2018	11,968	Transfer/Buy	5,34,701	0.49
				16/02/2018	35,673	Transfer/Buy	5,70,374	0.53
				31/03/2018	--	--	5,70,374	0.53
12	NALINI N SEKHSARIA	5,00,000	0.57	09/03/2018	5,00,000	Transfer/Buy	10,00,000	0.92
				09/03/2018	-5,00,000	Transfer/Sale	5,00,000	0.46
				31/03/2018	--	--	5,00,000	0.46

Note: The above information is based on the weekly beneficiary position received from Depositories.

v) Shareholding of Directors and Key Managerial Personnel

S. No	For each of the of Directors and KMP	Shareholding at the beginning of the year		Date wise increase / (decrease) in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer/ bonus / sweat equity etc.)			Cumulative Shareholding at the end of the year	
		No. of shares	% of total shares of the Company	Date	No. of shares	Nature	No. of shares	% of total shares of the Company
1	Mr. K L Chugh, Chairman	75000	0.09	09.06.17	(75000)	Transfer/Sell	--	--
2	Mr. Mahendra Agarwal, Founder & CEO	3834188	4.35	02.02.18	(150000)	Transfer/Sell	3684188	3.40
				30.03.18	(500000)	Transfer/Sell	3184188	2.94
3	Mr. N Srinivasan, Director	89000	0.10	--	--	--	89000	0.08
4	Dr. P S Reddy, Director	30000	0.03	19.01.18	(30000)	Transfer/Sell	--	--
5	Mr. P N Shukla, Director	20000	0.02	--	--	--	20000	0.02
6	Mr. Sunil Alagh, Director	130000	0.15	--	--	--	130000	0.12
7	Mr. Yasuhiro Kaneda, Nominee Director	--	--	--	--	--	--	--
8	Ms. Sheela Bhide	--	--	--	--	--	--	--
9	Mr. Amit Pathak, Company Secretary	--	--	--	--	--	--	--
10	Mr. Manoj Gupta, Chief Financial Officer **	--	--	--	--	--	--	--

Note : ** Appointed on 06.05.2017

V. Indebtedness

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

(₹ in mn)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial Year				
i) Principal Amount	1169	1911	214	3294
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not due	--	--	23	23
Total (i+ii+iii)	1169	1911	237	3317
Change in Indebtedness during the financial year				
Addition	730	0	93	823
Reduction	604	1911	171	2686
Net Change	126	(1911)	(78)	(1863)
Indebtedness at the end of the financial Year				
i) Principal Amount	1295	--	136	1431
ii) Interest due but not paid	--	--	5	5
iii) Interest accrued but not due	--	--	--	--
Total (i+ii+iii)	1295	--	141	1436

VI. Remuneration of Directors and Key Managerial Personnel

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

(₹ in mn)

S. No	Particular of Remuneration	Mr. Mahendra Agarwal, Founder & CEO	Total
1	Gross Salary		
	a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	-	-
	b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961.	-	-
	c) Profit in lieu of salary 17(3) of the Income Tax Act, 1961.	-	-
2	Stock Option (no. of options)	-	-
3	Sweat Equity	-	-
4	Commission		
	- as a % of profit	-	-
	- others, specify	-	-
5	Others, please specify – (Gratuity, Provident & Superannuation funds)	-	-
	Total (A)	-	-
	Ceiling as per Section 197 of the Companies Act, 2013		-

B. Remuneration to other Directors

(₹ in mn)

S. No	Particular of Remuneration	Name of the Directors							Total
		K L Chugh	N Srinivasan	P S Reddy	Sunil Alagh	P N Shukla	Yasuhiro Kaneda	Sheela Bhide	
I	Independent Directors								
	(a) Fee for attending board / committee meetings	0.27	0.37	0.19	0.17	0.39	-	0.27	1.66
	(b) Commission	0.50	0.35	0.25	0.25	0.25	-	0.25	1.85
	(c) Others, please specify	-	-	-	-	-	-	-	-
	Total (1)	0.77	0.72	0.44	0.42	0.64		0.52	3.51
2	Other Non-Executive Directors								
	a) Fee for attending board / committee meetings	-	-	-	-	-	-	-	-
	b) Commission	-	-	-	-	-	0.25	-	0.25
	c) Others, please specify	-	-	-	-	-	-	-	-
	Total (2)	-	-	-	-	-	0.25	-	0.25
	Total B = (1+2)	0.77	0.72	0.44	0.42	0.64	0.25	0.52	3.76
	Total Managerial Remuneration as Commission								2.10
	Ceiling as per Section 197 of the Companies Act, 2013								3.98

C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD

(₹ in mn)

S. No	Particular of Remuneration	Amit Pathak, Company Secretary	Manoj Gupta, Chief Financial Officer*	Total
I	Gross Salary			
	a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	2.97	10.39	13.36
	b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961.	0.11	--	0.11
	c) Profit in lieu of salary 17(3) of the Income Tax Act, 1961.	--	--	--
2	Stock Option (no. of options)	---	--	--
3	Sweat Equity	---	--	--
4	Commission	---	--	--
	- as a % of profit			
	- others, specify			
5	Others, please specify – (Gratuity, Provident & Superannuation funds)	0.25	2.06	2.31
	Total	3.33	12.45	15.78

* Appointed w.e.f. 06.05.2017

VII. Penalties / Punishment / Compounding of Offences

There were no penalties, Punishment or Compounding of offences during the year ended March 31, 2018.

ANNEXURE - D

Secretarial Audit Report

For the financial year ended 31st March, 2018

FORM NO MR 3

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

To
The Members,
M/s. Gati Limited
Hyderabad

We have conducted 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 **Gati Limited** (hereinafter called as “the Company”). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the books, papers, minutes books, forms, returns filed and other records maintained by the Company and also the information and according to the examinations carried out by us and explanations furnished and representations made to us 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, 2018, generally complied with the Statutory Provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

- I. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended 31st March 2018 (“Audit Period”) according to the provisions of:
 - I.1. The Companies Act, 1956 (to the extent applicable) and the Companies Act, 2013 (the Act) and the Rules made thereunder;
 - I.2. The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the Rules made thereunder;
 - I.3. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
 - I.4. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
 - I.5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’): -
 - I.5.1. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - I.5.2. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - I.5.3. 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;
 - I.5.4. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - I.5.5. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 & Listing Agreements entered with the National Stock Exchange of India Limited and the BSE Limited.
 - I.6. The Secretarial Standards on the Meetings of the Board of Directors, Committees and General Meetings issued by the Institute of Company Secretaries of India.
2. We report that during the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines and Standards, except for the slight delay in filling up vacancy in the office of Chief Financial Officer as required under Section 203(4) of Companies Act, 2013.
3. The Company is engaged in the Business of logistics i.e., cargo-handling incidental to land, water and air transport and retail sale of automotive fuel in specialized store (including the activity of petrol filling stations). The following Industry specific Acts are applicable to the Company, in view of the Management and as per the Guidance Note issued by the ICSI:
 - i) Carriage of Goods by Air Act, 1972
 - ii) Carriage of Goods by Sea Act, 1925
 - iii) Railway Act, 1989
 - iv) Motor Transport Workers Act, 1961
 - v) Fatal Accidents Act, 1855
 - vi) Multimodal Transportation of Goods Act, 1993
 - vii) Control of National Highways (Land and Traffic) Act, 2002

- viii) Carriage by Road Act, 2007
ix) Motor Vehicles Act, 1988
4. We further report that:
- 4.1. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and a Woman Director. Company is taking steps to have sufficient number of retiring directors on its Board. The changes in the composition of the Board of Directors during the period under review were carried out in accordance with the provisions.
- 4.2. Adequate Notice along with agenda and detailed notes on agenda is given to all the Directors electronically to schedule the Board Meetings.
- 4.3. With regard to deposits accepted by the Company, it has a practice of maintaining deposit repayment reserve in form of fixed deposits with scheduled banks instead of depositing in separate account.
- 4.4. The Company has transferred the shares in respect of which dividends have not been claimed for 7 consecutive years to IEPF. Further the Company has taken financial year 2009-10 as a base year for transfer of such shares to IEPF.
- 4.5. The Company has carried CSR activities during the financial year under review and reasons for non-spending of the full amount are provided in Boards Report.
- 4.6. The Company is of the view that, charges need not be intimated to ROC in respect of the pledge of investment.
- 4.7. All the transactions entered into by the Company with Related Parties are in ordinary course of business and are on arms length basis. Therefore in view of the Company disclosures in Board's Report are not required.
- 4.8. The Company's investment in Amritjal Ventures Private Ltd, provided as a security to the institution providing financial assistance to Amritjal Ventures Private Ltd was invoked by security holder. The matter is under litigation in court of law and the Company has been legally advised that the beneficial interest in such shares continues with the Company.
- 4.9. There exists a system for seeking and obtaining further information and clarifications on the agenda items before the meeting and meaningful participation at the meeting.
- 4.10. Decisions at the meetings of the Board of Directors and Committees of the Board of the Company were taken unanimously. It is to be noted that for the Audit Period the following regulations are not applicable:
- i. SEBI (Issue and Listing of Debt Securities) Regulations, 2008.
- ii. SEBI (Delisting of Equity Shares) Regulations, 2009.
- iii. SEBI (Buyback of Securities) Regulations, 1998.
- iv. SEBI (Issue of capital and disclosure requirements) Regulations, 2009
- 4.11. There exist adequate systems and processes in the Company that commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
5. We further report that during the audit period, there were no specific events / actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc., except as provided in Auditors Report.

For **DVM & Associates LLP**
Company Secretaries
L2017KR002100

DVM Gopal
Partner
M No: F 6280
CP No: 6798

Place: Hyderabad
Date: May 29, 2018

Note: This letter is to be read with our letter of even date, which is annexed, and form an integral part of this report..

Annexure

To
The Members,
M/s. Gati Limited
Hyderabad

Our Report of even date is to be read along with this letter

1. Maintenance of secretarial records 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 the random 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 the Management. Our examination was limited to the verification of procedures on the random 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 **DVM & Associates LLP**
Company Secretaries
L2017KR002100

DVM Gopal
Partner
M No: F 6280
CP No: 6798

Place: Hyderabad
Date: May 29, 2018

ANNEXURE - E

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

[Section 134(3)(m) of The Companies Act, 2013 read with Rule 8(3) of The Companies (Accounts) Rules, 2014]

A) Conservation of Energy:

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

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

1. Vehicles were purchased in compliance with all latest regulations relating to pollution control and Bharat Stage (Euro) norms i.e. BS III models /BS IV models.
2. The strict periodical maintenance of Company's vehicles is done as per manufacturer's prescribed norms to ensure optimum fuel consumption & better vehicle maintenance.
3. Stringent checks for vehicles and retiring of vehicles greater than five years old.
4. Drivers' training programs are being organized and conducted periodically to improve their driving skills, safe driving, better vehicle maintenance and improved fuel efficiency of vehicle.
5. Providing DIP i.e., Drivers Information Package which would educate them about Do's and Don'ts, RIC (Route Information card) and check list to be followed before departing the vehicle & monitoring through Vehicle Tracking System
6. A centralized Operations Command Center (OCC) has been built to provide support to vehicles and drivers 24/7, 365 days.

7. LED lights are being used at corporate office and all warehouses.
8. Providing cross ventilation for light and air; thus reducing power consumption in day time.
9. All the warehouses have provided and maintained rain harvesting pits & greenery.
10. Through our rail parcel operations, we determinedly look at shifting transport activity from road towards low carbon railway mode.

B) Technology Absorption:

Your company successfully rolled out GST across the country with zero downtime. GST is a major change as far as our industry is concerned, requiring very large amount of changes in the software and processes. The entire changes to various processes and software were done internally and on time. Similarly, E-waybill which was also a major change was rolled out very successfully by the internal team.

The IT Roadmap planning project called GEMS 2.0 was completed by the big four consulting company and presented to the management. In line with Roadmap, your company have initiated rolling out the plan with some key software modules focussing on key areas of the company as phase one being revamped in line with the latest technology stack and would go live during the first half of the coming financial year.

C) Foreign Exchange earnings and outgo:

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

(₹ in million)

Summary	As at 31st March 2018	As at 31st March 2017
Expenditure in foreign currency		
Travelling expenses	1.26	1.03
Freight expenses	91.73	83.08
Earnings in foreign currency		
Travelling income	0.83	2.23
Freight income	137.94	60.25

ANNEXURE - F

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	Summary of Key Changes
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/investor-relations/policies/	There has been no change to the policy during the fiscal 2018.
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/	There has been no change to the policy during the fiscal 2018.
Insider Trading Policy	The policy provides the framework in dealing with securities of the company.	https://www.gati.com/investor-relations/policies/	There has been no change to the policy during the fiscal 2018.
Policy for determining Materiality for Disclosures	This policy applies to disclosures of material events affecting Gati and its subsidiaries.	https://www.gati.com/investor-relations/policies/	There has been no change to the policy during the fiscal 2018.
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/investor-relations/policies/	There has been no change to the policy during the fiscal 2018.
Corporate Social Responsibility Policy	The 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/investor-relations/policies/	There has been no change to the policy during the fiscal 2018.
Policy on Material Subsidiaries	The 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/investor-relations/policies/	There has been no change to the policy during the fiscal 2018.
Related Party Transaction Policy	This policy regulates all transactions between the company and its related parties.	https://www.gati.com/investor-relations/policies/	There has been no change to the policy during the fiscal 2018.

ANNEXURE-G

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.

The Securities and Exchange Board of India ('SEBI') accepted some of the recommendations with or without modifications on 28th March, 2018 of the Kotak Committee on Corporate Governance and consequently, on 9 May, 2018 the SEBI amended (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations). Your Company welcomes this progressive step of SEBI and shall ensure that its governance framework incorporates the amendments introduced in the Listing Regulations and the same are complied with on or before the effective date.

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, 2018, the Board has eight Directors, comprising (i) Six Independent Directors, including the Chairman & One Woman Director (ii) One Promoter Executive Director (iii) One Nominee Director. The composition of the Board is in conformity with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations). 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	Designation	Board	Committees				
			Audit	Stakeholder Relationship	Nomination & Remuneration	Corporate Social Responsibility	FCCB Committee*
Mr. K L Chugh	Independent Director- Chairman	Chairman	---	---	Member	---	---
Mr. Mahendra Agarwal	Founder & CEO	Member	---	Member	---	Member	Member
Mr. N Srinivasan	Independent Director	Member	Chairman	---	---	---	Chairman
Mr. P N Shukla	Independent Director	Member	Member	---	Member	---	---
Dr. P S Reddy	Independent Director	Member	Member	---	Chairman	Member	Member
Mrs. Sheela Bhide	Independent Director	Member	---	---	---	Chairman	---
Mr. Sunil Alagh	Independent Director	Member	---	Chairman	---	---	---
Mr. Yasuhiro Kaneda	Nominee Director**	Member	---	---	---	---	---

*FCCB committee was dissolved w.e.f.16.11.2017

**Nominee Director being Equity Investor in GKEPL, represents Kintetsu World Express (S) Pte Ltd.

The composition of Board/Committees is available on the website of the Company i.e. <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. 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 is tabled below:

Name	No. of other Directorships and Committee Membership / Chairmanship		
	Other Directorships*	Committee **	
		Chairmanship	Membership
Mr. K L Chugh	4	-	-
Mr. Mahendra Agarwal	8	-	1
Mr. N. Srinivasan	7	3	4
Mr. P N Shukla	2	1	2
Dr. P.S. Reddy	2	-	1
Mrs. Sheela Bhide	4	-	1
Mr. Sunil Alagh	4	1	3
Mr. Yasuhiro Kaneda	1	-	-

*Other directorships do not include Section 8 Companies and companies incorporated outside India.

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

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 2017-18, the Board met Five times: on 6 May, 2017, June 14, 2017, 22 August, 2017, November 16, 2017 and February 7, 2018. The necessary quorum was present at all the meetings. Video/tele-conferencing facilities were also used to facilitate Directors travelling abroad or at other locations to participate in the meetings. 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 1 August, 2017 and also the shareholding.

Name	Category and Designation	Attendance particulars		No. of Equity shares
		Board meetings	Last AGM	
Mr. K L Chugh	Independent Director- Chairman	5	Yes	--
Mr. Mahendra Agarwal	Founder & CEO	5	Yes	31,84,188
Mr. N Srinivasan	Independent Director	5	Yes	89,000
Mr. P N Shukla	Independent Director	5	Yes	20,000
Dr. P S Reddy	Independent Director	2	Yes	---
Mrs. Sheela Bhide	Independent Director	5	Yes	--
Mr. Sunil Alagh	Independent Director	3	Yes	1,30,000
Mr. Yasuhiro Kaneda	Nominee Director	3	No	--

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
- 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 digitization 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 Founder & CEO 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, all Directors, except the Promoter Director and 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 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

During the year under review, the Independent Directors met on February 7, 2018, inter alia, to discuss:

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

All the Independent Directors were present at the Meeting.

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 and CEO 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. Foreign Currency Convertible Bond (FCCB) Committee*

*FCCB committee was dissolved w.e.f. 16.11.2017

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 SEBI 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;

- | | |
|--|---|
| <ul style="list-style-type: none"> 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; | <ul style="list-style-type: none"> 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. <p>The Audit Committee entirely comprises of Independent Directors. All members of the Audit Committee are financially literate and bring in expertise in the fields of finance, economics, strategy and management.</p> |
|--|---|

During the financial year 2017-18, the Audit Committee met four times viz., on 5 May, 2017, 21 August, 2017, November 15, 2017 and February 7, 2018. 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	Chairman	4	4
2	Mr. P N Shukla	Member	4	4
3	Dr. P S Reddy	Member	4	3

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, Chairman of the Audit Committee has attended the previous Annual General Meeting held on August 1, 2017.

Nomination & Remuneration Committee:

The Board has constituted Nomination & Remuneration Committee consisting of 3 Independent Directors. 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 2017-18, the Committee met once i.e., on 6 May, 2017. 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	Dr. P S Reddy	Chairman	1	-
3	Mr. K L Chugh	Member	1	1
4	Mr. P N Shukla	Member	1	1

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 Act, SEBI Listing Regulations and the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India on January 5, 2017.

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 2017-18 and proposed commission are as follows:

Name	Sitting fee	Commission
	(₹)	(₹)
Mr: K L Chugh	2,70,000	5,00,000
Mr: N Srinivasan	3,70,000	3,50,000
Mr: P N Shukla	3,90,000	2,50,000
Dr: P S Reddy	1,90,000	2,50,000
Ms. Sheela Bhide	2,70,000	2,50,000
Mr: Sunil Alagh	1,70,000	2,50,000
Mr: Yasuhiro Kaneda	---	2,50,000
TOTAL	16,60,000	21,00,000

Commission for the financial year 2017-18 will be paid to the Directors after approval of accounts by the shareholders at the ensuing Annual General Meeting.

Other than above, there are no pecuniary or business relationship between the Non-Executive Directors and company and also between all the Directors. A declaration to this effect is also submitted by all the Directors at the beginning of each financial year.

Stakeholders Relationship Committee

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:

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

The Committee consists of two Directors viz., Mr: Sunil Alagh, Chairman and Mr: Mahendra Agarwal, Member. During the financial year 2017-18, the Stakeholders' Relationship Committee met once viz., on February 7, 2018 and all the members were present for the meeting.

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.

An analysis of the investor complaints received and redressed during the financial year 2017-18 is given below:

S. No	Nature of Complaint	Received	Disposed	Pending	Not resolved to the satisfaction of shareholders
1	Non receipt of dividend warrants	14	14	Nil	Nil
2	Non receipt of Annual Report	3	3	Nil	Nil
3	Non-receipt of stock split shares	7	7	Nil	Nil

Name, designation and address of Compliance Officer:

Mr. Amit Pathak,
Company Secretary, Chief Investor Relations & 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.

In accordance with Regulation 55A of the SEBI (Depositories and Participants) Regulations, 1996 and SEBI Circular No, D&CC/FITTC/Cir-16/2002 dated 31st December, 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:

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

The CSR Committee entirely comprises of three Directors viz., Ms. Sheela Bhide, Chairperson, Mr. Mahendra Agarwal, Member and Dr. P S Reddy, Member.

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

During the financial year 2017-18, the CSR Committee met once i.e. on 6 May, 2017 and all the members were present for the meeting, except Dr. P S Reddy.

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

FCCB Committee

The FCCB Committee is empowered to deal with the various matters related with ongoing FCCB litigation with bondholders.

The Committee consists of three Directors viz., Mr. N Srinivasan, Chairman De P S Reddy and Mr. Mahendra Agarwal, Member. During the financial year 2017-18, the FCCB Committee met 2 times viz., on 16.05.2017 and 08.08.2017 and all the members were present for all the meetings, except Dr. P S Reddy, who was present only for one meeting.

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

During the current Financial Year, the company and the bondholders has entered into a settlement agreement dated 16 May, 2017, which has been approved by the Lok Adalat, City Civil Court Legal Service Authority, Hyderabad on June 3, 2017 and converted/redeemed all the FCCB's in accordance with the terms of the FCCBs set out in the offer circular dated December 12, 2011.

Further, the Board of Directors at their meeting held on November 16, 2017 has dissolved the FCCB committee.

General Body Meetings

(a) Annual General Meeting:

Year(s)	Date of AGM	Time	Venue	No. of Special resolutions passed
2016-17	August 1, 2017	5.00 pm	Hotel Radisson Hyderabad Hitech city, Gachibowli, Miyapur Road, Hyderabad, Telangana – 500 032	1
2015-16	August 4, 2016	10.00 A.M	Hotel Radison BLU, 8-2-409, Road No.6, Banjara hills, Hyderabad – 500 034.	4
2014-15	July 30, 2015	11.00 A.M	Hotel Novotel Hyderabad Convention Centre, Novotel & HICC Complex, Cyberabad post office, Hyderabad – 500 081	4

(b) Extraordinary General Meeting:

During the year, company has not conducted any Extraordinary General Meeting.

Postal Ballot:

No Special Resolution was passed by the Company during the financial year 2017-18. No Special Resolution is proposed to be conducted through Postal Ballot.

policies/.

- ii. There were no non-compliance by the Company, 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
- 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 SEBI 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/>.

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/>

- iv. The Company has complied with all mandatory requirements of SEBI 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. Ms. Sheela Bhide, Independent Director of the Company is also on the Board of GKEPL. 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.

The Company is preparing its financial statements in line with the Ind AS issued by the Institute of Chartered Accountants of India and the company has not raised any fresh funds from the public or through Right or Preferential Issue.

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 SEBI 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.

Separate posts of Chairman and CEO

Mr. K L Chugh is Non-Executive Independent Director & Chairman and Mr. Mahendra Agarwal is the Managing Director & CEO of the company.

Reporting of Internal Auditor

The Internal Auditor reports to the CFO 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.

CEO and CFO Certification:

The Chief Executive Officer and the Chief Financial Officer of the Company gave certification on financial reporting and internal controls for the financial year 2017-18 to the Board of Directors at their meeting held on 29 May, 2018, as required under regulation 17(8) of SEBI Listing Regulations.

Means of Communication

i. Publication of results

The quarterly, half-yearly & nine months un-audited financial results and annual audited 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 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 make timely disclosure of necessary information to BSE Limited and National Stock Exchange of India Limited in terms of the Listing Regulation and other rules and regulation 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 SEBI 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 18, 2018

Time: 03:00 p.m.

Venue: Registered office of the Company situated at Plot No. 20, Survey No. 12, Kothaguda Kondapur, Hyderabad, Telangana-500084.

Financial Calendar

Financial Year - 1st April to 31st March

Tentative calendar for declaration of financial results in Financial Year 2018-19

Results for the quarter ended June 30, 2018	on or before August 14, 2018
Results for the quarter ended September 30, 2018	on or before November 14, 2018
Results for the quarter ended December 31, 2018	on or before February 14, 2019
Results for the year ended March 31, 2019	on or before 30 May, 2019

Book Closure dates: The dates for book closure are from Wednesday September 12, 2018 to Tuesday September 18, 2018 (both days inclusive).

Dividend

The Board of Directors at their meeting held on 29.05.2018, recommended a final dividend of ₹0.90 per share (45%) on equity shares of ₹ 2/- each for the Financial Year ended March 31, 2018. The Dividend if approved by the shareholders at the 23rd Annual General Meeting scheduled to be held on September 18, 2018, will be paid within the stipulated time i.e. 30 days from the date of declaration.

Unclaimed dividend

Pursuant to Sections 124 and 125 of the Act 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 has transferred to IEPF following unpaid or unclaimed dividends and corresponding shares thereto during the financial year 2017-18 as under

Particulars	Amount of Dividend (in ₹)	No of Shares
Final Dividend for the Financial Year 2009-10	3,77,727	4,55,138

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	2010-11 : Final	25	16.11.2011	15.12.2018
2	2011-12 : Interim	30	29.06.2012	28.07.2019
3	2011-12 : Final	25	19.10.2012	18.11.2019
4	2012-13 : Final	30	06.11.2013	05.12.2020
5	2013-14 : Final	35	05.08.2014	04.09.2021
6	2014-15: Interim	30	05.12.2014	04.01.2022
7	2014-15: Final	40	30.07.2015	28.08.2022
8	2015-16: Final	50	04.08.2016	03.09.2023
9	2016-17: Final	40	01.08.2017	31.07.2024

The Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on August 1, 2017 (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'), 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 has also sent three individual notices to the concerned members whose shares were liable to be transferred to IEPF Account as required under the said rules and the Company published notices in the newspapers inviting the members' attention to the aforesaid rules.

Accordingly, during the year under review, your Company has transferred 4,55,138 number of equity shares related to 3736 shareholders, to the Investor Education & Protection Fund Authority, as required in accordance with the 'Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016' ('Rules'), details of which are provided on website of the company i.e. www.gati.com.

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, 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 investor service Department of the Company or M/s Karvy 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, 2018 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. Company Secretary of the Company was appointed as the Compliance Officer by the Board to ensure compliance and effective implementation of the Insider Trading Code.

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, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051.

The listing fee for the financial year 2018-19 has been paid to all the above stock exchanges.

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, 2018 are as under :

Month	NSE		BSE	
	High	Low	High	Low
Apr-2017	144.90	131.60	145.00	132.00
May-2017	143.90	120.55	143.90	120.80
Jun-2017	136.50	123.55	136.50	123.50
Jul-2017	134.60	120.60	136.00	120.55
Aug-2017	123.00	102.20	123.00	101.60
Sep-2017	122.00	106.00	121.95	106.10
Oct-2017	121.80	107.10	121.50	107.25
Nov-2017	148.50	117.40	148.50	117.00
Dec-2017	144.00	126.10	143.65	126.60
Jan-2018	154.45	128.45	154.45	129.00
Feb-2018	133.35	110.10	133.20	111.30
Mar-2018	113.00	84.35	113.00	87.60

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, 2017	143.45	9220.60	143.95	29,737.73
As on March 31, 2018	87.60	10113.70	89.20	32,968.68
Changes (%)	-38%	9.68%	-38%	11%

Total equity as on March 31, 2018 was 10,83,46,795 (previous year 8,81,82,054) 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:

Karvy Computershare Private Limited

(Unit: Gati Limited)

Karvy Selenium Tower B, Plot 31-32, Gachibowli

Financial District, Nanakramguda,

Hyderabad – 500 032

Tel. No: 040 4465 5000- 152, Fax No: 040 4465 5024

E-mail: mohsin.mohd@karvy.com, Website: <http://www.karvycomputershare.com>

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, 2018.

Particulars	No of Shares	%
Physical Segment	1,00,4367	0.93
Demat Segment		
NSDL (A)	8,70,68,000	80.36
CDSL (B)	2,02,74,428	18.71
Total (A+B)	10,83,46,795	100.00

The Securities and Exchange board of India (SEBI) at its Board Meeting held on 28th March, 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. Date of amendment will be notified later.

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 2017-18 which, inter alia, includes audit of compliance with the Companies Act, 2013, and the rules made under the Act, 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, 2018:

No. of shares	No. of account	% of total account	No. of shares	% to Total shares
Upto 5,000	110106	98.20	24380778	22.50
5,001 10,000	1175	1.05	4322038	3.99
10,001 20,000	447	0.40	3359615	3.10
20,001 30,000	137	0.12	1711110	1.58
30,001 40,000	70	0.06	1261249	1.16
40,001 50,000	31	0.03	711357	0.66
50,001 1,00,000	71	0.06	2512361	2.32
1,00,001 And above	89	0.08	70088287	64.69
TOTAL	1,12,126	100.00	108346795	100.00

Categories of equity shareholding as on March 31, 2018

S. No	Description	No. of equity shares held	% of holding
1	Company Promoter / Promoter group	26966901	24.89
2	Foreign Institutional Investors	7253302	6.69
3	Banks / Mutual Funds / NBFC	360485	0.33
4	Bodies Corporate	8056266	7.44
5	Individuals / HUF	38121391	35.18
6	Non Resident Indians	3322478	3.07
7	Foreign Bodies	23301445	21.51
8	IEPF	455138	0.42
9	Clearing Members / Trusts	509389	0.47
TOTAL		108346795	100.00

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

The company had 22,182 No's of outstanding Zero Coupon unsecured Foreign Currency Convertible Bonds (FCCB) at the start of the year; which was due for conversion/redemption in Nov 2016/Dec 2016. In the current Financial Year, the company and the bondholders has entered into a settlement agreement dated 16 May, 2017, which has been approved by the Lok Adalat, City Civil Court Legal Service Authority, Hyderabad on June 3, 2017.

Accordingly, during the year under review all the outstanding 22,182 No's of FCCB are redeemed/converted as follows:-

- 7,528 No's of FCCB are redeemed as per the redemption notice received from the bondholders amounting to USD 99,99,750 in accordance with the terms of the FCCBs set out in the offer circular dated December 12, 2011.
- Allotment of 99,99,499 equity shares of ₹ 2/- each upon conversion of 7,373 No's of FCCB as per the conversion notice received from the bondholders in accordance with the terms of the FCCBs set out in the offer circular dated December 12, 2011.
- Allotment of 98,74,726 equity shares of ₹ 2/- each upon conversion of 7,281 No's of FCCB as per the conversion notice received from the bondholders in accordance with the terms of the FCCBs set out in the offer circular dated December 12, 2011.

There are no FCCBs outstanding as on March 31, 2018.

Plant Location: None

Address for Correspondence

All Members' correspondence should be forwarded to Karvy Computershare Private Limited, the Registrar and Transfer Agent of the Company or to the Investor Service Department at the Registered Office of the Company at the addresses mentioned below.

Karvy Computershare Pvt. Ltd. (Unit, Gati Limited) Karvy Selenium Tower B Plot 31-32, Gachibowli Financial District, Nanakramguda Hyderabad – 500 032 Tel: 040 4465 5000- 152 Fax: 040 4465 5024 E-mail: mohsin.mohd@karvy.com Website: www.karvycomputershare.com	Gati Limited Corporate Compliance Department Plot no.20, Survey no.12 Kothaguda, Kondapur Hyderabad – 500 084 Tel: 040 7120 4284 Fax: 040 2311 2318 Email: 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, uploading online action taken reports by the Company. Through SCORES the investors can view online, the action taken and current status of the complaints.

SEBI vide its Circular dated 26th March, 2018 have streamlined the process of filing investor grievances in the SCORES in order to ensure speedy and effective resolution of complaints filed therein. The said Circular can be accessed on the website of SEBI at https://www.sebi.gov.in/legal/circulars/mar-2018/investor-grievance-redressmechanism-new-policy-measures_38481.html

Certificate On Corporate Governance

To

The Members of Gati Limited,

We have examined the compliance of conditions of Corporate Governance by M/s. Gati Limited ("the company") for the year ended March 31, 2018, as per the provisions of regulations 17-27, clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance as stipulated above. 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, and based on the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the 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 of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Restrictions on Use

This certificate is issued solely for the purpose of complying with the aforesaid Regulations and may not be suitable for any other purpose.

For **DVM & Associates LLP**

Company Secretaries

L2017KR002100

DVM Gopal

Partner

M No: F 6280

CP No: 6798

Place: Hyderabad

Date: May 29, 2018

Declaration

As provided under regulation 26(3) of the SEBI (LODR) 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, 2018.

for **Gati Limited**

Mahendra Agarwal

Founder & CEO

DIN: 00179779

Place: Hyderabad

Date: May 29, 2018

MANAGEMENT DISCUSSION AND ANALYSIS

Industry Structure and Development

Global Economy

Economic activity in 2017 ended on a high note growth in the second half of the year was above 4 per cent, the strongest since the second half of 2010, supported by a recovery in investment. As per World Trade Organization, the recovery of 2017 seems to be extending into 2018, based on indicators like export orders, air freight and container shipping. Although, forecasters remain cautious as there are signs that escalating trade tensions may be affecting business confidence and investment decisions, which could compromise the current outlook.

Nevertheless, with broad-based momentum and expectations of a sizable fiscal expansion over this year and the next, global growth is now projected at 3.9 per cent for 2018–19, a 0.2 percentage point upgrade for both years relative to the October 2017 forecast as per World Bank.

Indian Economy

Turning to the domestic economy, GDP growth in 2017-18 at 6.6 per cent was lower than 7.1 per cent in 2016-17 and the deceleration was broad-based. Private consumption growth – whose contribution to GDP growth in 2017-18 was 68 per cent – moderated in the second half. Goods and services tax (GST) implementation had an adverse, even if transient, effect on urban consumption through loss of output and employment in the labour-intensive unorganised sector.

India has been declared the sixth largest economy in the world with a GDP of 2.6 trillion in 2017, as per the recently released report by Indian Monetary Fund (IMF). Growth in India is projected to increase to 7.4% in 2018 and 7.8% in 2019, lifted by strong private consumption as well as fading transitory effects of Demonetization and implementation of GST. Over the medium term, growth is expected to gradually rise with continued implementation of structural reforms that raise productivity and incentivise private investment.

Indian Logistics Sector Overview

Over the last several years, many key trends have been reshaping the domestic logistics sector and have influenced your company's product portfolio and competitive position. By far, introduction of GST tax reforms will have the most far reaching ramification in terms of growth of organized logistics in India. The competitive intensity is set to increase amongst organized logistics service providers and Gati is uniquely positioned and well prepared to compete and grow in such a context.

Gati's traditional express distribution strengths stands vastly augmented with significant portfolio expansion now covering warehousing solutions, ecommerce operations, value added transportation, freight forwarding, cold chain solutions and trade inventory management.

Opportunities in Logistics Sector

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

Infrastructure investments

In recent times, Infrastructure development has been one of the focus areas of the government. Starting with an allocation of around ₹ 1.81 trillion in 2014-15, expenditure towards infrastructure reached ₹ 4.94 trillion in 2017-18. In the most recent budget, government will invest as much as ₹ 5.97 trillion in creating and upgrading infrastructure. Such multi-modal growth policy to create a comprehensive network of roads, railways, airports, ports and inland waterways, will have a positive impact on the transport and logistics businesses in the long-term.

Economic growth & robust growth in consumption

As per World Bank, the Indian economy will see a robust GDP growth of 7.3% in 2018-19 and 7.5% for the next two as "factors holding back growth in India fade" allowing the country to retain the tag as the world's fastest growing major emerging economy. Historically, logistics sector has grown at ~1-1.5x India's GDP growth. Reports indicate that India's economy is lifted by strong private consumption as well as implementation of the national goods and services tax.

Increasing Trade

India's global trade grew 16.3 per cent to USD 767.9 billion in 2017-18, according to the Commerce Department. It is anticipated that India's trade is expected to continue to experience robust growth with revival in the economy. There will be increase in flow of goods owing to higher trade volume which will prove to be a strong demand driver for logistics services in the future. The government has also announced a slew of policy changes to support trade.

Growing demand in key user verticals

The express services are of vital importance to industries like auto components, BFSI, e-commerce, organized retail, pharmaceuticals, electronic products and IT components. One of the key benefits of GST for companies within these verticals with pan India supply chain footprint has been the network realignment which was expected to reduce cost with savings on the logistics and distribution front. The transformation supports the growth of Third-party logistics players. Additionally, the logistics requirements of e-tailers have been evolving rapidly every year and building a scalable and efficient logistics network for hinterland deliveries (focus on Tier-II and Tier-III cities) is becoming a vital USP in the long-term.

Technological Advancement

Information technology is a critical differentiator in the logistics industry, providing the crucial ability to track the locations of large numbers of products along the supply chain. The advanced IT system ensures sharing of operations data between operations, customers and vendors in order to facilitate warehouse management, route optimization, freight consolidation, back office functions and other services.

Growth drivers for Gati

Gati is one of the leading express distribution services providers in India. Gati provides surface and air express services, e-Commerce logistics, supply chain solutions, cold chain transportation, international freight forwarding, and customs clearance services to over 9,000 customers spread across the automotive, healthcare, engineering, apparel and consumer durables industries. Gati's significant experience and execution capabilities have enabled it to develop firm relationships with a diverse customer base and offer services that are tailored to meet customer-specific requirement.

Following are Gati's principal competitive strengths which will continue to help the company move in the direction of the defined business strategy. The competencies will help achieve and maintain leadership position in Gati's current areas of operation and areas that it plans to expand into.

Integrated service offering

Gati provides a broad range of logistics services to our customers seeking to use a variety of transportation options to optimize their supply-chain needs. Eleven of our top-20 customers use three or more of our services. The increasing scale and complexity of our customers' operations has driven demand for logistics providers that can offer a full spectrum of logistics services across multiple geographies. Many of our customers currently use us for only a portion of their overall logistics needs. We believe that our comprehensive service offerings and established track record as an integrated end-to-end logistics services provider provide us with a significant competitive advantage.

Strong network coverage and wide geographical reach

To support our growth initiatives, Gati has established an integrated branch network that has helped to optimize operational costs and improve our ability to deliver our services to our customers effectively. We operate through more than 550 operating units in over six countries. We serve this network with 696 offices across India, we have more than 1900 routes, our fleet includes more than 5000 vehicles including 180+ reefer trucks, we have about 3.5 million sq. ft of warehousing space across the country. Our workforce includes more than six thousand young individuals helping us to be ahead in reach always. These operating units help us provide wide geographical reach with last mile connectivity, which is critical to the success of our express distribution and e-Commerce logistics business.

Information Technology capabilities

We have developed our proprietary enterprise resource planning software, GEMS (Gati Enterprise Management Systems). We believe our technology platforms enable us to enhance profitability, optimize decision-making, and create more streamlined and cost-effective processes for our customers. The quality of our information technology capabilities has garnered us industry awards for technology innovation and the CIO Hall of Fame award by virtue of being the perseverant winner of the CIO 100 Award for the fourth consecutive year and recognition in technology publications like CIO, Information Week and Dataquest.

Long term relationships with clients

We cater to large corporates across various industry sectors. For our express distribution and supply chain solutions, we count leading players from the automobiles, electronics, pharmaceutical and FMCG sectors as our long standing customers. We focus on building and maintaining long-term customer relationships. We have built a leading and trusted brand that stands for quality service and reliability. Most of our large customers (in terms of revenue and volumes) continue to engage our service and during Fiscal Year 2018, our top ten customers constituting approximately 14.45% of our total customer base, which we believe is a testament of our abilities to service and retain customers.

Professional and experienced Board and management team

The Company has an experienced Board that oversees and guides our strategy and operations. Our Board has constituted several sub-committees for timely decision-making and to ensure effective governance. Our directors include individuals experienced in a wide range of subjects relevant to our business. We believe that these individuals collectively have helped us reach and achieve significant milestones.

Threats

Gati's business segments are subject to a number of threats from external and internal factors that could affect those operations and thus affect profitability and operating results. Key external threats to the business are the fragmented nature of the market, increased competition infrastructure bottlenecks, and increased regulatory holdups are few of the factors that may impede our ability to stay profitable and successfully expand.

- Global financial markets and economic conditions have been, disrupted and volatile due to a variety of factors, including uncertainty in the financial services sector; low consumer confidence, continued high unemployment, geopolitical issues and the weak economic conditions in the past.
- The logistics business is susceptible to trends in economic activity, including but not limited to industrial production,

consumer spending and retail activity, and an economic crisis or slowdown may negatively affect our business in a number of ways.

- Increased competition may lead to revenue reductions, reduced profit margins, or a loss of market share, any of which could adversely threaten our business and results of operations.
- We must maintain and enhance the reliability and speed of our information technology systems to remain competitive and effectively handle higher volumes of freight through our network. Despite testing, external and internal risks, such as malware, insecure coding, attempts to penetrate our network, data leakage and human error pose a direct threat to our information technology systems and operations.

Outlook

By executing our strategy, we have built leading positions in some of the fastest-growing sectors of transportation logistics. Our presence in the fast growing e-Commerce and cold chain sector, we believe, will drive our business going forth. We believe growing profitability and increasing shareholder value will accrue by pursuing and executing the following business strategies:

Optimization of operations

Our reputation is based on our service levels that we provide, tailored to our customers' shipping needs, as we compete in a premium service based on reliability, timeliness and visibility. Our operations strategy includes increasing the package volumes moving through our network and broadening the scope of our service offerings in high-growth segments. In connection with this strategy, we are continuing to optimize our existing operations by implementing advanced information technology and leveraging our carrier capacity across services we offer.

Expanding operations in high growth industries

We believe that as one of the leading e-Commerce logistics service providers, we are strategically placed to benefit from the expected growth in the industry. On our e-Commerce logistics operations, our strategic initiatives remain to support the volume growth through investment in new facilities, infrastructure and technology. With an established presence in cold chain, we are well positioned and will be able to capitalize on the growth opportunity that this presents. Our growth strategy for our cold chain operations, is to complement our delivery capabilities with cold warehouse development. Likewise, we will be strengthening our sales structure and operational processes to support an end-to-end cold chain solution.

Increasing preparedness of our clients for regulatory change

The implementation of GST, we believe, has been a major game-changer in the logistics industry. Many end users continue to evaluate and revamp their supply chains, realigning the locations of warehouses, corridors used and transportation options exercised, thus generating tremendous business opportunities for logistics firms specializing in supply chain reengineering as well as for providers of network optimization tools such as transportation management systems (TMS). In the context of changing logistics needs triggered by GST reorganization, Gati has launched M-VATS (Managed – Value Added Transportation Services) as an additional service for point-to-point transportation and multi-point milk-run drop-offs. With this launch, Gati is set to participate in an INR 5,000 crore market segment of niche value added transportation in defined lanes, within the larger FTL transportation sector: Gati's vast B2B customer base now has the option of using India's most preferred logistics company for its traditional transportation requirements with the added benefit of 24x7 Customer Care, 365 Days Reliability, Real Time Tracking, Zero Transshipment, Zero Damage, Fresh Fleet with Secure Seal, Double Driver; and all of this with a Pricing which is predictable even in peak seasons.

Way Forward

Your Company has today emerged into a logistics powerhouse that businesses across India and outside rely on for their end to end supply chain solutions. Gati's traditional express distribution strengths stands vastly augmented with significant portfolio expansion now covering warehousing solutions, ecommerce operations, value added transportation, freight forwarding, cold chain solutions and trade inventory management.

Financial Performance

At standalone level, your Company recorded a revenue of ₹ 5,247 mn, EBITDA of ₹ 886 mn, PBT of ₹ 407 mn and PAT of ₹ 345 mn as against a revenue of ₹ 5,240 mn, EBITDA of ₹ 468 mn, PBT of ₹ 199 mn and PAT of ₹ 176 mn in the previous year.

During the year under review, at consolidated level, your Company achieved a revenue of ₹ 18,136 mn, EBITDA of ₹ 1,550 mn, PBT of ₹ 544 mn and PAT of ₹ 391 mn as against a revenue of ₹ 17,014 mn, EBITDA of ₹ 1,063 mn, PBT of ₹ 265 mn and PAT of ₹ 171 mn respectively in the previous year.

Risk & Concerns

The present and anticipated future risks are reviewed by the management of your company at regular intervals. Based on its past experiences, the management tries to remain vigilant about all prospective risks and takes suitable preventive steps & measures to adequately safeguard your companies resources like property & personnel, so that the business continues as usual even during difficult situations.

Elements of Risk Identified	Risk Impact on Gati Limited	Mitigation Strategy
Generic Risk		
Industry Risk	The Logistics industry is prone to cyclical fluctuations in the economy caused by changes in global and domestic economies, industrial production, downturn in business cycle, local market conditions, Fuel prices fluctuation & shortage, competition, government policies and regulations, interest rates fluctuation and foreign exchange rates and other social factors beyond our control. Carriers can be expected to charge higher prices to cover higher operating expenses and our gross profits and income from operations may decrease if we are unable to pass through to our customers the full amount of higher transportation costs.	Your Company offers services in all aspects of logistics and supply chain management to a diverse range of industries. Your company keeps a close watch on the economic environment and timely actions are taken accordingly. These measures helps us to mitigate the industry risks. Also, our internal control systems and processes are constantly reviewed and revamped as per industry best practices.
Socio-political risks	Your Company faces risks from the socio-political environment, internationally as well as within the country and is affected by events like political instability, state bifurcations, conflict between nations, threat of terrorism, extreme weather conditions and natural calamities, etc. which may affect business of the company	Your company keeps a close watch on such developments and has in place backup plans to ensure that it operations do not suffer due to these events.
Company Specific Risk		
Legal Risk	Legal liability on account of claims due to service deficiency or a third party claim on company or its Directors or Officers.	Your company had taken Insurance policies like Courier Legal Liability, Commercial General Liability, Commercial Crime Insurance, Fidelity Guarantee and Directors and Officers Liability policy to mitigate the risk involved in business operations.
Attrition Risk	Failure to attract & retain talent or to implement an effective succession planning for key positions or to continuously update employees skills sets in line with current and future requirements may adversely affect the Company's performance	Your company has well defined appraisal system in place. All high performance employees are given periodical trainings and duly rewarded for their performance.
Brand Equity & Quality Risk	We are in the service business wherein maintaining a good reputation and customer confidence in our services is critical to our business. With the manifestation of social networking and our growing B2C. business through e-Commerce, anything that damages our reputation over digital media can be a loss of brand equity and therefore a risk to the business.	Your Company continuously upgrades its services through advancement of technology and upgradations, business process re-engineering and by imparting training to its employees & business partners at all levels on regular basis. Also, our internal systems and processes are constantly reviewed and revamped as per industry best practices.

Elements of Risk Identified	Risk Impact on Gati Limited	Mitigation Strategy
Cash on Delivery (COD) & Stock Risk	E-commerce is an emerging sector wherein your company delivers the shipments on Cash on delivery basis. The cash collected against value of shipments is in turn remitted back to e-tailer customers. There are multiple risk involved in Cash transaction in addition to a threat of Damage, Pilferage / Shrinkage or loss of cargo due to normal transit hazards, accidents or hijacking of trucks or force majeure.	CMS facility is availed at all our branches wherever there is high cash movement. Money-In-Transit & Fidelity Guarantee Insurance policies have been taken as a back-up. All vehicles are insured against loss or damage due to accident. We have installed VTS devices and OCC is monitoring all our vehicles 24/7 to ensure safety of cargo & vehicles. Operating units are under CCTV surveillance, monitored through Operations Control Centre, to mitigate the risk of pilferage.
Competition Risks	Being part of a fragmented industry, Gati faces significant competition at local, Regional and National levels. Our competitors operates with business models that allow them to offer services and pricing that Gati may not be willing or able to offer to cost-sensitive customers. In India, monopoly is prohibited so market is open for all and this risk arises from more players wanting a share in the same pie. Like in most other industries, opportunity brings with itself competition. Sometimes it leads to price cutting as well.	Your company continuously putting efforts to enhance the brand image by focusing on R&D, quality, Cost, timely delivery and customer service. By introducing new services commensurate with customer demands your company plans to mitigate the risks so involved.
Interest rate risk	Any increase in interest rate can affect the finance cost	Your company has a very competent finance department which constantly keeps their eyes on the Money market to ensure no opportunity of low cost finance is lost and bring down the cost of finance to lowest possible level. There has been improvement in Credit Rating given by ICRA which also has contributed in bringing down the finance cost.
Credit Risk	Increase in working capital requirement due to delay in collection of receivables.	A well defined process of credit approval is in place and business development team evaluate Credit worthiness through KYC and takes care of all Credit Customers & Contract Management.
Fuel Price risk	Our operating model has high exposure to fuel costs and changing Diesel and Aviation Turbine Fuel costs can have a significant impact on our operations. Domestic prices are affected by International crude oil prices per barrel and there are regular fluctuations in fuel prices.	Recovering Fuel surcharge from the customers is a key driver for revenue assurance to compensate the increased Operating expenses. The Company is charging DPH (Diesel Price Hike) and ATF through pre-defined matrix to mitigate this risk.
Regulatory Compliance	Any default can attract penal provisions	Your company regularly monitors and adapts to changes in regulatory framework. Compliances are constantly monitored by Finance & Legal functions lead by professionals. Compliances are also monitored by the Internal audit function.

Elements of Risk Identified	Risk Impact on Gati Limited	Mitigation Strategy
Workplace Environment, Industrial Safety & Occupational health	The Logistics industry is labour intensive and are exposed to accidents, health and injury risk due to human negligence or natural illness etc.	Safety standards have been implemented across all Operating Units. The Corporate HR takes care of various Employee / Non-employee welfare measures. Group Term Life Insurance, Group Medical Insurance, Group Personal Accident, Employee State Insurance, Rasta Aapati Kavach etc are a few among those.
Information security & Business Continuity	Our ability to serve clients most effectively depends on the reliability of our technology backbone. We use technology systems to create and manage dockets, route trucks, and track-n-trace packages, manage inventory in our warehouses and manage all of our day-to-day business. Any disruption to the IT assets or the database will affect the quality of services provided by the Company and will not be able to provide real time update on the movement of shipment to the customers which results in loss of reputation.	Your company has disaster recovery setup for all the IT core application at Sify's data centre, Chennai to mitigate all sorts of technology risks. We have been certified ISO 27001: 2013 for our HO location including Data Center. Further more, Strategic IT policies have been established covering all security best practices and Control ownerships are defined and agreed upon.

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

Internal Control System and their adequacy

Your Company has in place an adequate system of internal controls commensurate with its size & nature of operations, along with well-defined organisation structure & documented policy guidelines & procedures, 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 your Companies 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 & procedures issued by the Management covering all critical and important activities viz. Contract Management, Operations, Procurement, Finance, Human Resources, Safety, etc. These policies & procedures are updated from time to time and compliance is monitored by Internal Audit Function. Your 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 provide constructive recommendation on regular basis for the Operating Units to improve on moderate & high risk areas.

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

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

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

A gist of the significant features of the internal controls are:

- The Audit Committee comprising of independent directors entirely, 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 major business processes and testing thereof including financial closing, IT General Controls and Entity Level Controls;
- Continual programmes to reinforce the Code of Business Conduct & Ethics is done 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 2018, your 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.

Material developments in Human Resources

Gati strongly believes in nurturing talent and enabling growth internally both in terms of providing higher responsibilities and lateral role changes thus providing job enrichment to Gati'ites.

The entire framework of employee facing processes and systems has been redesigned to offer a positive and delightful employee experience. Many transactional HR processes and data analysis have been digitized and simplified, thereby enabling the HR team to focus on the most important aspects of human connect such as employee engagement, employee experience, assessments and development. The same philosophy will be rolled out for many other initiatives in coming years.

HR strategy has an important role to play in the success of Vision 2020. This has been the key guiding principle for attracting talent, building requisite capabilities and skills, motivating, developing, assessing at regular intervals across levels and retaining talent to help Gati master the dynamic market challenges and make the most of opportunities available for leveraging as well strengthening the brand and stakeholder value.

Investing in our employees continues to remain paramount. We support and encourage our people to grow in multiple dimensions

enabling them to achieve all they can both professionally and personally. Lasting satisfaction is about combining the intellectual, emotional, personal and social well being of our employees.

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, BDET for Associates and Executives, AMTR Program for assessing and developing the right front-line managers, Beyond Managing to Leading, a structured Leadership Development framework for our Mid-Management level and several such domain-specific interventions. We have a diverse talent base of 5000 plus high-calibre Gati'ites of which Gen Y comprises 65% of workforce. Our online and classroom based training interventions covered 4500 Gati'ites ensuring minimum 2 man days of training for everyone.

We also continuously strive to be more open, transparent and objective in our people processes. Through the annual employee engagement survey, a number of key focus areas were identified and many Gati'ites were invited and consulted to create action plans to address areas of concerns. We encourage debate and open dialogue on various processes directly impacting Gati'ites which helps us to develop and improvise our people strategy for future. This has resulted in significant improvement in Employee Engagement score vis-à-vis last year.

Our people practices have received recognition at different forums and we are committed to provide professional and enabling working environment at all levels envisaging a boundary less workplace, ensuring free flow of ideas and information through a unified organisation structure and defined processes. We are a non-discriminating employer ensuring our HR and CSR initiatives are devoid of any prejudices protected by law. Our affirmative actions include actively hiring women candidates, support hiring of differently abled and other unique CSR initiatives that touch more than 15000 lives.

Independent Auditor's Report

To The Members of **Gati Limited**

Report on the Standalone Ind AS Financial Statements

1. We have audited the accompanying standalone Ind AS financial statements of **GATI LIMITED** ('the Company'), which comprise the Balance Sheet as at 31st March, 2018, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Ind AS Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

4. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS

financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

5. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our qualified audit opinion on the standalone Ind AS financial statements.

Basis of Qualified Opinion

6. As stated in Note 13 to the accompanying standalone Ind AS financial statements, the Company has given operational advances to few parties aggregating ₹ 201.53 millions which is long overdue and the full recoverability of which is doubtful. No impairment allowance for uncertainty in collectability has been recognized against above advances. Based on the information received from the management of the Company regarding the assumptions used in assessing the recoverability of this amount, we were unable to determine the impact on the standalone financial statements, of a potential adjustment for impairment that might have been necessary in order to present the balance at its estimated recoverable value.

Qualified Opinion

7. In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the Basis of Qualified opinion paragraph above, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March, 2018, and its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Emphasis of Matter

8. We draw your attention to the following matters:
 - a.) Note 6 to the accompanying standalone Ind AS financial statements regarding loans given to a subsidiary amounting to ₹ 200.07 millions in earlier years and during the year, which is outstanding as at the reporting date. The management is confident of recovery of the amount in due course and no provision is considered necessary for any possible losses that may arise in this behalf.
 - b.) Note 26* to the accompanying standalone Ind AS financial statements which states that based on the Scheme of

arrangement by the Hon'ble Andhra Pradesh High Court by its Order dated 19 March, 2013 the company had created Special Reserve which allows its utilization for adjustment of any capital losses arising from transfer of assets and certain other losses as specified in the Scheme and as the Board of director may deem fit. The Company had adjusted an amount of ₹ 28.66 millions against the said Special Reserve in earlier years, which has been now recovered during the year and adjusted in the statement of profit & loss for the year ended 31 March, 2018.

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

Other Matter

9. The comparative Ind AS financial information of the Company for the corresponding year ended 31 March, 2017 included in accompanying standalone Ind AS financial Statements, are based on previously issued standalone financial Statement prepared in accordance with the recognition and measurement principles of Accounting Standards Specified under Section 133 of Companies Act read with relevant rules issued thereunder and other accounting principles generally accepted in India ('Previous GAAP') and audited by the predecessor auditor whose report for the corresponding year ended 31 March, 2017 dated 6 May, 2017 expressed an unmodified opinion on those standalone financial results, as adjusted for the differences in accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us. Our opinion is not qualified in respect of this matter:

Report on Other Legal and Regulatory Requirements

10. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order:
11. As required by Section 143(3) of the Act, based on our audit, we report, to the extent applicable that:
- 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;
 - In our opinion, except for the matter referred to in Basis for Qualified Opinion paragraph above, 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;
 - The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account;
 - Except for the possible effects of the matter described in the Basis of Qualified Opinion paragraph, in our opinion, the aforesaid standalone Ind AS financial statements comply

with the Accounting Standards specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended;

- The matter described in the Basis for Qualified Opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the Company to the tune of ₹ 201.53 millions;
- On the basis of the written representations received from the directors as on 31 March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2018 from being appointed as a director in terms of Section 164(2) of the Act.
- The qualification relating to the maintenance of accounts and other matters connected therewith is as stated in the Basis for Qualified Opinion paragraph above;
- With respect to the adequacy of the internal financial controls with respect to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure 'B' to this report;
- 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:
 - The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements as stated in note 35(I) and 46 to the standalone Ind AS financial statements;
 - The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - The disclosures in the financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November, 2016 to 30 December, 2016 have not been made since they do not pertain to the financial year ended 31 March, 2018.

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

(Anurag Singhi)

Partner

Membership No. 066274

Place: Kolkata

Date: 29 May, 2018

Annexure - A to the Independent Auditor's Report

(Referred to in paragraph 10 with 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 31 March, 2018)

We report that:

- i. In respect of its fixed assets:
 - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b) As explained to us, fixed assets have been physically verified during the year by the management at reasonable intervals and no material discrepancies have been noticed on such physical verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
 - 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.
- b) The particulars of dues of income tax, sales tax, duty of excise, service tax, duty of customs, and value added tax have not been deposited by the Company on account of disputes are as follows:

Name of the Statute	Nature Of Dues	Amount (₹ in Millions)	Period to which the amount relates	Forum where dispute is pending
Finance Act, 1994	Service Tax	444.71	From Year 2005 -2016	CESTAT, Audit Commsionerate

- 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 did not raise 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.

- 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. In Our opinion, the company has complied with the directives issued by Reserve bank of India and the provisions of Sections 73 to 76 and other relevant provisions of the Act and Companies (Acceptance of Deposit) Rules, 2014 (as amended) as applicable, with regard to the deposits accepted. According to the information and explanations 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, in this regard.
- 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. According to the information and explanations given to us and the records of the Company examined by us:
 - a) The Company is generally regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Goods and Service Tax, Sales-tax, Service Tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, to the appropriate authorities. There are no arrears in respect of the aforesaid dues as at 31 March, 2018 for a period of more than six months from the date they became payable.

- 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 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.
- 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.
- Place: Kolkata
Date: 29 May, 2018

For **Singhi & Co.,**
Chartered Accountants
Firm's Registration No. 302049E
(Anurag Singhi)
Partner
Membership No. 066274

Annexure - B to the Independent Auditor's Report

(Referred to in paragraph 11(h) with 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 31 March, 2018)

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

1. We have audited the internal financial controls over financial reporting of Gati Limited ('the Company') as of 31 March, 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note') and the Standards 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.

4. 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.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

7. 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

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial

reporting and such internal financial controls over financial reporting were operating effectively as at 31 March, 2018, 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.

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

(Anurag Singhi)

Partner

Membership No. 066274

Place: Kolkata

Date: 29 May, 2018

Balance Sheet

as at 31 March, 2018

	Notes	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
(In ₹ Mn)				
ASSETS				
NON CURRENT ASSETS				
Property, Plant and Equipment	3	2,861.76	2,833.90	2,817.85
Capital Work in Progress	3	0.81	50.34	33.73
Investment in Subsidiaries and Associates	4	5,678.52	5,597.16	5,594.09
Financial Assets				
Investments	5	39.23	39.95	31.23
Loans	6	181.43	159.99	143.55
Deferred tax Assets (Net)	7	-	-	-
Non Current Tax Asset (Net)		137.13	409.12	365.51
Other non-current assets	8	125.92	137.39	143.21
		9,024.80	9,227.85	9,129.17
CURRENT ASSETS				
Inventories	9	21.29	14.72	13.09
Financial assets				
Trade receivables	10	373.70	458.95	568.82
Cash and Cash Equivalents	11A	108.80	233.87	102.35
Bank Balances other than above	11B	128.27	116.46	102.05
Loans	12	0.81	0.10	54.38
Other financial assets	13	286.38	272.66	695.24
Other current assets	14	42.29	52.26	29.41
		961.54	1,149.02	1,565.34
TOTAL ASSETS		9,986.34	10,376.87	10,694.51
EQUITY AND LIABILITIES				
EQUITY				
Equity Share Capital	15	216.69	176.36	175.45
Other Equity	16	7,323.44	6,340.27	6,504.23
TOTAL EQUITY		7,540.13	6,516.63	6,679.68
LIABILITIES				
NON-CURRENT LIABILITIES				
Financial liabilities				
Borrowings	17	1,035.46	745.42	720.48
Other financial liabilities	18	58.74	62.71	69.36
Provisions	19	4.10	1.38	1.62
		1,098.30	809.51	791.46
CURRENT LIABILITIES				
Financial liabilities				
Borrowings	20	69.63	232.02	274.49
Trade payables	21	421.59	245.34	314.20
Other financial liabilities	22	788.48	2,539.13	2,540.19
Other current liabilities	23	67.57	33.30	93.44
Provisions	24	0.64	0.94	1.05
		1,347.91	3,050.73	3,223.37
TOTAL EQUITY AND LIABILITIES		9,986.34	10,376.87	10,694.51

The accompanying notes are an integral part of the Financial Statements

As per our report of even date

For and on behalf of the Board of Directors

For Singhi & Co.

Chartered Accountants
ICAI Firm Registration No: 302049E

K L Chugh

Chairman
DIN: 00140124

Mahendra Agarwal

Founder & CEO
DIN: 00179779

N. Srinivasan

Director
DIN: 00004195

Anurag Singhi

Partner
Membership no: 066274

Manoj Gupta

Chief Financial Officer

Amit Pathak

Company Secretary
M No: A19971

Place: Kolkata
Date: 29 May, 2018

Place: New Delhi
Date: 29 May, 2018

Statement of Profit and Loss

for the year ended 31 March, 2018

		(In ₹ Mn)	
	Notes	Year Ended 31 March, 2018	Year Ended 31 March, 2017
I Income			
Revenue from Operations	25	4,461.06	4,980.93
Other Income	26	786.20	259.31
Total Income (I)		5,247.26	5,240.24
II Expenses			
Operating Expenses	27	1,609.12	2,083.87
Purchase of stock-in-trade		2,334.37	2,091.93
Changes in Inventories of Stock-in-Trade	28	(6.57)	(1.63)
Employee benefits expense	29	288.36	316.62
Finance Costs	30	193.57	218.28
Depreciation and amortization expense	31	49.53	51.29
Other expenses	32	136.13	281.04
Total Expenses (II)		4,604.51	5,041.40
III Profit Before Exceptional Items and Tax (I-II)		642.75	198.84
IV Exceptional Items	33	(236.00)	
V Profit Before Tax (III-IV)		406.75	198.84
VI Tax Expenses	34		
Current Tax		61.99	23.27
Deferred Tax		-	-
Total Tax Expenses		61.99	23.27
VII Profit For The Year (V-VI)		344.76	175.57
VIII Other Comprehensive Income (OCI)			
Items not to be reclassified to statement of profit or loss :			
Remeasurement gains/(losses) on defined benefit plans		3.16	(2.87)
Equity investments through OCI		(0.72)	8.72
Income tax effect on above items		-	-
Other Comprehensive Income for the Year, (Net of Tax)		2.44	5.85
IX Total Comprehensive Income for the Year (VII+VIII)		347.20	181.42
X Earnings Per Share	43		
(Nominal Value Per Share: ₹2/- (Previous Year ₹2/-))			
Basic (in ₹)		3.36	1.99
Diluted (in ₹)		3.35	1.48

The accompanying notes are an integral part of the 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: 29 May, 2018

For and on behalf of the Board of Directors

K L Chugh

Chairman

DIN: 00140124

Manoj Gupta

Chief Financial Officer

Place: New Delhi

Date: 29 May, 2018

Mahendra Agarwal

Founder & CEO

DIN: 00179779

N. Srinivasan

Director

DIN: 00004195

Amit Pathak

Company Secretary

M No: A19971

Cash Flow Statement

for the year ended 31 March, 2018

Particulars	(In ₹ Mn)	
	Year Ended 31 March, 2018	Year Ended 31 March, 2017
A: Cash Flow From Operating Activities		
Net Profit Before Taxes as per Statement of Profit and Loss	406.75	198.84
Adjustments For :		
Depreciation and amortization expense	49.53	51.29
Loss / Gain on sale of Property, plant & equipment(Net)	(46.62)	0.86
Impairment for Investment	(0.49)	(0.79)
Net loss arising from investment designated at FVTPL	-	55.00
Employee share based payment expenses	(11.92)	(3.82)
Finance Costs	193.57	218.28
Allowance for Bad and Doubtful Debts	(10.98)	65.41
Bad Debts & Advances written off	122.75	9.14
Provision for Bad Debts no longer required written back	(122.75)	-
Interest Income	(25.69)	(51.06)
Interest Income Refund of Income Tax	(24.03)	(2.44)
Commission on Corporate guarantee	(8.68)	(12.17)
Exceptional expenses	236.00	-
Liability no longer required written back	(516.12)	(0.10)
Dividend income from Subsidiaries	(103.60)	(138.60)
Operating Profit Before changes in operating assets and liabilities	137.72	389.83
Adjustment for changes in operating assets and liabilities:		
Decrease / (Increase) in Inventories	(6.57)	(1.64)
Decrease / (Increase) in Trade receivables	96.23	35.32
Decrease / (Increase) in Other current Assets	24.60	(19.90)
Decrease / (Increase) in Other Current Financial Assets	(13.71)	134.89
Decrease / (Increase) in Loans	(0.71)	54.28
Increase / (Decrease) in Trade payable	176.25	(68.86)
Increase / (Decrease) in Current Financial Liabilities	(61.48)	(0.95)
Increase / (Decrease) in Current Liabilities	34.10	(56.89)
Increase / (Decrease) in provisions	2.42	(0.35)
Cash generated from Operating Activities	388.85	465.73
Direct Taxes paid (net of refunds)	234.04	(64.44)
Net Cash generated/(used) from Operating Activities	622.89	401.29
B: Cash Flow From Investing Activities :		
Sale proceeds from Property, plant and equipment	60.70	0.03
Purchase of Property, plant and equipment including Capital work in progress	(41.92)	(84.85)
Purchase of Investments	(76.00)	(55.00)
Purchase of term deposit	(11.81)	(14.41)
Loans given to Subsidiary	(10.07)	-
Interest Received	14.32	34.62
Dividend Received	103.60	138.60
Net Cash generated/(used) in Investing Activities	38.82	18.99

Cash Flow Statement

for the year ended 31 March, 2018

Particulars	(In ₹ Mn)	
	Year Ended 31 March, 2018	Year Ended 31 March, 2017
C: Cash Flow From Financing Activities		
Proceeds / (Repayment) of Long term borrowings (Net)	290.03	24.95
Proceeds from issue of equity shares	1.56	34.77
Repayment of Foreign currency convertible bonds	(643.70)	-
Dividend Paid	(78.70)	(87.72)
Movement in short term borrowings (Net)	(162.39)	(42.48)
Finance Cost	(193.57)	(218.28)
Net Cash generated/(used) from Financing Activities	(786.77)	(288.77)
Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)	(125.07)	131.53
Cash and Cash Equivalents as at the beginning of the year	233.87	102.35
Cash and Cash Equivalents as at the end of the year	108.80	233.87
Components of cash and cash equivalents		
Balance with Banks:		
On Current Accounts	99.62	207.77
Cash on hand	9.18	26.10
Cash and Cash Equivalents (Refer Note I I A)	108.80	233.87

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.
- The previous GAAP figures have been reclassified to confirm to Ind AS presentation requirements for the purpose of this note. (Refer note 42E).

3.Amendment to Ind AS 7 :

Change in Liability arising from financing activities

	As at 31 March, 2017	Foreign exchange movement	Cash flow	(In ₹ Mn) As at 31 March, 2018
Borrowings -Non Current (Refer Note 17)	745.42	-	290.04	1,035.46
Borrowings -Current (Refer Note 20)	232.02	-	(162.39)	69.63
	977.44	-	127.65	1,105.09

As per our report of even date

For and on behalf of the Board of Directors

For Singhi & Co.

Chartered Accountants

ICAI Firm Registration No: 302049E

Anurag Singhi

Partner

Membership no: 066274

Place: Kolkata

Date: 29 May, 2018

K L Chugh

Chairman

DIN: 00140124

Manoj Gupta

Chief Financial Officer

Place: New Delhi

Date: 29 May, 2018

Mahendra Agarwal

Founder & CEO

DIN: 00179779

N. Srinivasan

Director

DIN: 00004195

Amit Pathak

Company Secretary

M No: A19971

Statement of Changes in Equity

for the year ended 31 March, 2018

A) Equity Share Capital

	No of Shares	(In ₹ mn)
Balance as at 1 April, 2016	87,722,937	175.45
Changes in Equity Share Capital during the year	459,117	0.91
Balance at 31 March, 2017	88,182,054	176.36
Changes in Equity Share Capital during the year	20,164,741	40.33
Balance at 31 March, 2018	108,346,795	216.69

B) Other Equity

Particulars	Equity Component of Compound Financial Instruments	Reserves and Surplus					Item of other Comprehensive Income			Total	
		Securities Premium Account	General Reserve	Capital Reserve	Tonnage Tax Reserve (utilised)	Share Option Outstanding account	Special Reserve	Retained Earnings	Equity Investments through FVTOCI		Re-Measurement of defined benefit plans
Balance at 1 April, 2016	63.16	1,654.96	865.75	208.39	92.91	38.30	2,521.30	1,042.80	16.66	-	6,504.23
Profit for the year	-	-	-	-	-	-	-	175.57	-	-	175.57
Adjustment during the year	-	-	-	-	-	(3.82)	(287.69)	-	-	-	(291.51)
Adjustments to Security Premium	-	33.85	-	-	-	-	-	-	-	-	33.85
Final Dividend on Equity Shares	-	-	-	-	-	-	-	-	-	-	-
Other Comprehensive Income	-	-	-	-	-	-	-	(87.72)	-	-	(87.72)
Balance at 31 March, 2017	63.16	1,688.81	865.75	208.39	92.91	34.48	2,233.61	1,130.65	25.38	(2.87)	6,340.27
Profit for the year	-	-	-	-	-	-	-	344.76	-	-	344.76
Adjustment During the year*	(63.16)	-	-	-	-	(11.92)	-	63.16	-	-	(11.92)
Final Dividend on Equity Shares	-	-	-	-	-	-	-	(78.70)	-	-	(78.70)
Adjustments to Security Premium	-	726.59	-	-	-	-	-	-	-	-	726.59
Other Comprehensive income	-	-	-	-	-	-	-	-	(0.72)	3.16	2.44
Balance at 31 March, 2018	-	2,415.40	865.75	208.39	92.91	22.56	2,233.61	1,459.87	24.66	0.29	7,323.44

*Adjustment related to Foreign currency Convertible bonds (FCCB's)

The accompanying notes are an integral part of the 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: 29 May, 2018

K L Chugh
Chairman
DIN: 00140124

Manoj Gupta
Chief Financial Officer

Place: New Delhi
Date: 29 May, 2018

For and on behalf of the Board of Directors

Mahendra Agarwal
Founder & CEO
DIN: 00179779

N. Srinivasan
Director
DIN: 00004195

Amit Pathak
Company Secretary
M No: A19971

Notes to Financial Statements

for the year ended 31 March, 2018

1) Corporate and general information:

Gati Limited ("the Company") is a public limited company incorporated in 1995 under provisions of 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 (NSE) and Bombay Stock exchange (BSE).

Significant Accounting Policies

2) Basis of Accounting

2.1 Statement of Compliance

These 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.

The financial statements upto year ended 31 March, 2017 were prepared in accordance with earlier Generally Accepted Accounting Principles (GAAP) in India, which includes the accounting standards prescribed under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014, to the extent applicable, and the presentation requirements of the Companies Act, 2013.

These financial statements for the year ended 31 March, 2018 are the first Ind AS financial statements with comparatives prepared under Ind AS. Accordingly, the transition to Ind AS has been carried out in accordance with Ind AS 101 - 'First time adoption' of Indian Accounting Standards with date of transition being 1 April, 2016. An explanation of how the transition to Ind AS has affected the Company's equity and its net profit is provided in Note 42. Company's Ind-AS accounting policies used in the opening Balance Sheet differed from its Indian GAAP policies applied as at 31 March, 2016 and accordingly the adjustments were made to restate the opening balances as at 1 April, 2016 in accordance with Ind-AS.

2.2 Basis of Measurement

The 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 off to the nearest two decimal of millions, unless otherwise stated.

2.4 Use of Estimates and Judgements

The preparation of the Company's 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 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:

- Defined benefit obligation
- Recognition of current tax and deferred tax
- Recognition and measurement of provisions and contingencies
- Fair value measurement of Financial instruments
- Provision for Doubtful Debts and advances
- Share based payments
- Revaluation of Land

2.5 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

Notes to Financial Statements

for the year ended 31 March, 2018

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

2.6 Recent accounting pronouncements - Standard issued but not yet effective

The standard issued but not yet effective up to the date of issuance of the Company's financial statements is disclosed below. The company intends to adopt this standard when it becomes effective.

a. Ind AS 115-Revenue from Contracts with Customers-The Ministry of Corporate Affairs (MCA) on March, 28, 2018 has notified new Indian Accounting Standard as mentioned above. The new standard will come into force from accounting period commencing on or after 1 April, 2018. It replaces existing recognition guidance, including Ind AS 18 Revenue and Ind AS 11 Construction contract. The standard is likely to affect the measurement, recognition and disclosure of revenue. The Company has evaluated and there is no material impact of this amendment on the Financial Statement of the Company except disclosure. The Company will adopt the Ind AS 115 on the required effective date.

b. Amendments to other Ind AS

The Companies (Indian Accounting Standards) Amendment Rules, 2018 has also made amendments to:

Ind AS 12 - Income Taxes,

Ind AS 28 - Investment in Associates and Joint Ventures,

Ind AS 40 - Investment Property.

These rules come into force from 1 April, 2018. The Company has evaluated these amendments and as per assessment impact of amendment to Ind AS 12, amendment to Ind AS 40 and Ind AS 28 will not have any material impact on the financial statement of the company. The Company will adopt above amendments from required effective date.

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.

2.7 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 work-in-progress is stated at cost which includes expenses incurred during construction period, interest on amount borrowed for acquisition of qualifying assets and other expenses incurred in connection with project implementation in so far as such expenses relate to the period prior to the commencement of commercial production. 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.

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

Notes to Financial Statements

for the year ended 31 March, 2018

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 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.

2.8 Intangible Assets:

Intangible assets are stated at acquisition cost net of accumulated amortization or cumulative impairment, if any. The Company capitalizes identifiable costs relating to development of internally generated software and these are stated net of accumulated amortization.

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.

2.9 Lease

Finance Lease:

Lease where the company has substantially transferred all the risks and rewards of ownership of the related assets are classified as finance leases. Assets under finance leases are capitalized at lower of fair value or the present value of the minimum lease payments at the inception of the lease term and a liability is created for an equivalent period. Lease payments under such leases are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. The finance cost is charged to the statement of profit and loss.

Operating Lease:

The Lease which is not classified as finance lease are operating leases. Payments made under operating lease are charged to Statement of Profit and Loss on straight-line-basis over the period of the lease, except where scheduled increase in rent compensates the Company with expected inflationary costs.

2.10 Impairment of Tangible or Intangible assets:

- 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.
- Assets that are subject to depreciation and amortization 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.
- 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.

Notes to Financial Statements

for the year ended 31 March, 2018

2.11 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.

2.12 Investments in Subsidiaries and Associates :

The Company has accounted for its investments in subsidiaries and associates at cost less accumulated impairment.

2.13 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.

2.14 Revenue Recognition:

Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable excluding taxes or duties collected on behalf of the government and reduced by any rebates and trade discount allowed.

The specific recognition criteria described below must also be met before income is recognised.

- i. Income is recognised on accrual basis and provision is made for all known losses and liabilities.

- ii. Service charges for transportation of shipments are recognised when shipments are delivered to the customers/nearest destination operating unit/nearest transshipment points.
- iii. Revenue from sale of products is recognized when the Company transfers all significant risks and rewards of ownership to the buyer, while the Company retains neither continuing managerial involvement nor effective control over the products sold.
- iv. Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.
- v. Dividend income is recognised when the right to receive the dividend is established.
- vi. Rent income is recognised on a straight-line basis over the period of the lease.

2.15 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 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

Notes to Financial Statements

for the year ended 31 March, 2018

market place (regular way trades) are recognised 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.

The effective interest rate (EIR) amortization 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 OCI (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).

- **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.

- b) **Subsequent measurement**

For purposes of subsequent measurement:

Category	Subsequent measurement and gains and Losses
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.
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.

Investments in Subsidiaries and 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:**

- **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.

Notes to Financial Statements

for the year ended 31 March, 2018

- **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 amortization 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 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 amortization.

- (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 11 and Ind AS 18.

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 recognises impairment loss allowance based on lifetime ECLs 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:**

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.

2.16 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.

Notes to Financial Statements

for the year ended 31 March, 2018

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 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.

2.17 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

Notes to Financial Statements

for the year ended 31 March, 2018

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. Remasurements 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.

2.18 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 realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of deferred tax liabilities and assets are reviewed at the end of each reporting period.

2.19 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.

2.20 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.

2.21 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.

2.22 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 "Employee Stock Options 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 "Employee Stock Options Account" are transferred to the "General Reserve". When the options are exercised, the Company issues new equity shares of

Notes to Financial Statements

for the year ended 31 March, 2018

the Company of ₹ 2/- each fully paid-up. The proceeds received and the related balance standing to credit of the Employee Stock Options Account, are credited to share capital (nominal value) and Securities Premium Account.

2.23 Earnings per share:

(i) Basic earnings per share

Basic earnings per share are calculated by dividing the net profit or loss before OCI 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 31 March, 2018

3. Property, Plant and Equipment

Tangible Assets

	Cost			Depreciation			Net Carrying Value	
	As at	Additions	Deductions/	As at	For the	Deductions/	As at	As at
	1 April, 2017		Adjustment	31 March, 2018	1 April, 2017	year	31 March, 2018	31 March, 2017
Freehold Buildings*	2,279.11	-	12.50	2,266.61	-	-	2,266.61	2,279.11
Vehicles	402.72	732.1	1.19	474.74	29.17	8.01	37.14	437.60
Plant & Machinery	55.12	5.15	0.94	59.33	41.91	2.77	44.40	14.93
Computers	35.18	5.10	-	40.28	4.83	2.42	7.25	33.03
Furniture & Fittings	93.60	1.23	2.17	92.66	63.37	16.29	77.25	15.41
Office Equipment's	134.20	3.60	-	137.80	49.35	11.55	60.90	76.90
	44.50	3.17	-	47.67	21.90	8.49	30.39	17.28
Total	3,044.43	91.46	16.80	3,119.09	210.53	49.53	257.33	2,861.76
								2,833.90

	Cost			Depreciation			Net Carrying Value	
	As at	Additions	Deductions/	As at	For the	Deductions/	As at	As at
	1 April, 2016		Adjustment	31 March, 2017	1 April, 2016	year	31 March, 2017	31 March, 2017
Freehold Buildings	2,279.11	-	-	2,279.11	-	-	-	2,279.11
Vehicles	395.40	7.32	-	402.72	23.15	6.02	29.17	373.55
Plant & Machinery	50.60	6.56	2.04	55.12	39.30	2.78	41.91	13.21
Computers	19.74	15.44	-	35.18	2.99	1.84	4.83	30.35
Furniture & Fittings	87.56	6.20	0.16	93.60	42.36	22.16	63.37	30.23
Office Equipment's	112.57	21.63	-	134.20	38.24	11.11	49.35	84.85
	33.43	11.09	0.02	44.50	14.52	7.38	21.90	22.60
Total	2,978.41	68.24	2.22	3,044.43	160.56	51.29	210.53	2,833.90

a) The amount of Contractual commitments for acquisition of property, plant and equipment is disclosed in Note.35(ii)

b) Refer Note 17 and Note 20 for information on Property, Plant and Equipment's pledged as securities by the Company.

c) Refer to Note 42 A (i) for exemptions / options availed for deriving deemed cost on Transition date.

d) As on the date of transition the Company has adopted fair valuation of its free hold land in order to bring its value to the current replacement cost as deemed cost. The total fair valuation carried out by the independent approved valuer's amounting to ₹2,279.11 Mn against the book value ₹ 643.53 Mn has been accounted at the transition date, 1 April 2016 and the incremental value ₹ 1,635.58 Mn generated there from has been included in Retained Earnings contained in Note 42F. Deferred tax liability on the incremental amount has not been considered since the aforesaid land is not meant for resale.

Capital Work in Progress

	As at	As at	As at
	31 March, 2018	31 March, 2017	1 April, 2016
	0.81	50.34	33.73
	0.81	50.34	33.73

Notes to Financial Statements

for the year ended 31 March, 2018

4. Investment in Subsidiaries and Associates

(In ₹ Mn)						
	As at 31 March, 2018		As at 31 March, 2017		As at 1 April, 2016	
	Number / Units	Amount	Number / Units	Amount	Number / Units	Amount
Investments measured at Cost						
Equity instrument (Unquoted)						
A) Investment in Subsidiaries						
Gati Asia Pacific Pte Ltd. of \$1 (SGD) each	8,865,829	351.05	7,267,176	275.05	7,267,176	275.05
Less: Impairment Allowance		(275.05)		(275.05)		(275.05)
		76.00		-		-
Zen Cargo Movers Pvt. Ltd. of ₹10/- each	362,163	3.62	362,163	3.62	362,163	3.62
Less: Impairment Allowance		(3.62)		(3.62)		-
		-		-		3.62
Gati Kausar India Ltd. of ₹10/-each (25,62,826 shares pledged with institution as security for bonds issued by Gati Kausar India Ltd.)	5,212,526	401.32	5,212,526	400.82	5,212,526	400.03
Less: Impairment Allowance (Refer Note. 42F)		(401.32)		(400.82)		(400.03)
		-		-		-
Gati Import Export Trading Ltd. of ₹10/- each	2,300,000	23.00	2,300,000	23.00	2,300,000	23.00
Gati Kintetsu Express Pvt Ltd. of ₹10/- each	350,000	5,525.54	350,000	5,522.89	350,000	5,516.20
Gati Logistics Parks Private Ltd. of ₹10/- each	10,000	53.88	10,000	51.17	10,000	51.17
Gati Projects Private Ltd. of ₹10/- each	10000	0.10	10,000	0.10	10,000	0.10
Total (A)		5,678.52		5,597.16		5,594.09
B) Investment in an Associate						
Shares of Gati Ship Ltd. of ₹10/- each	4,800,000	862.30	4,800,000	862.30	4,800,000	862.30
Less: Impairment Allowance		(862.30)		(862.30)		(862.30)
Total (B)		-		-		-
Grand Total (A+B)		5,678.52		5,597.16		5,594.09

Aggregate amount of Unquoted Investments and Impairment Allowance of investments are given as below:

(In ₹ Mn)			
	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Aggregate carrying cost of Unquoted Investments(Net of Impairment)	5,678.52	5,597.16	5,594.09
Aggregate Impairment Allowance	1,542.29	1,541.79	1,537.38

Notes to Financial Statements

for the year ended 31 March, 2018

5. Investments

(In ₹ Mn)						
	As at 31 March, 2018		As at 31 March, 2017		As at 1 April, 2016	
	Number / Units	Amount	Number / Units	Amount	Number / Units	Amount
A) Investments at Fair Value through Other Comprehensive Income						
Equity Instrument (Quoted)						
TCL Finance Ltd. of ₹10/- each	1,600,300	39.05	1,600,300	39.77	1,600,300	31.05
Total (A)		39.05		39.77		31.05
B) Investments at Fair Value through Profit and Loss						
1. Investments in Equity Instruments (Unquoted)						
Amrit Jal Ventures Private Ltd. of ₹10/- each*	18,750,000	-	18,750,000	-	18,750,000	-
Brown Tape Technology Pvt Ltd of ₹10/- each	14,451	-	14,451	-	-	-
ITAG Infrastructure Ltd. of ₹10/- each	18,000	0.18	18,000	0.18	18,000	0.18
Total (1)		0.18		0.18		0.18
2. Investments in Preference shares:						
0.001% Compulsory convertible cumulative preference share of Brown Tape Technology Pvt Ltd. of ₹20/- each	4,256	-	4,256	-	-	-
3. Investments in Optionally Convertible Debentures (OCD):						
14.5% Unsecured OCD of Amrit Jal Ventures Pvt Ltd. of ₹100/- each	3,457,236	-	3,457,236	-	3,457,236	-
14.5% Unsecured OCD of Gati Infrastructure Sada-Mangder Power Private Limited of ₹100/- each	993,354	-	993,354	-	993,354	-
Total B=(1+2+3)		0.18		0.18		0.18
Grand Total (A+B)		39.23		39.95		31.23

Aggregate amount of Quoted and Unquoted Investments, Market value of Quoted Investments are given as below:

(In ₹ Mn)			
	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Aggregate Market Value of Quoted Investments	39.05	39.77	31.05
Aggregate carrying cost of Quoted Investments	14.39	14.39	14.39
Aggregate carrying cost of Unquoted Investments	0.18	0.18	0.18

*These shares are invoked by the institution and held in institution's name. The matter is under litigation, and the company has been legally advised that the beneficial interest in such shares continues with the company.

Notes to Financial Statements

for the year ended 31 March, 2018

6. Loans

	(In ₹ Mn)		
	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Unsecured, Considered Good			
Security Deposits (Rental)	2.69	5.78	4.62
Loans to Subsidiaries *(Refer Note.45)	178.74	154.21	138.93
Total	181.43	159.99	143.55

*Represents fair value of a interest free loan , given to a wholly owned subsidiary amounting to ₹200 Mn towards financing a project, which has not yet commenced.

7. Deferred tax Assets (Net)

	(In ₹ Mn)		
	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Deferred Tax Asset			
Allowance for Doubtful Debts and Advances	58.49	48.48	40.61
Deferred Tax Liability			
Property, Plant and Equipment and others	(58.49)	(48.48)	(40.61)
Total	-	-	-

Deferred tax asset arising on account of business loss, allowance for doubtful debt, allowance for impairment of investments and other adjustments made against retained earnings on transition date and subsequently on the balance sheet date 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 ₹ Mn)		
	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Capital Advance	3.29	13.86	24.69
Deferred employee stock option compensation	6.34	14.34	12.16
Lease Rentals	97.86	98.97	100.07
Earnest Money Deposit	15.64	7.99	3.96
Prepaid Expenses	2.79	2.23	2.33
Total	125.92	137.39	143.21

9. Inventories

	(In ₹ Mn)		
	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
(At lower of cost or Net realisable value)			
Stock in Trade	21.29	14.72	13.09
Total	21.29	14.72	13.09

Notes to Financial Statements

for the year ended 31 March, 2018

10. Trade receivables

	(In ₹ Mn)		
	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Unsecured, Considered Good	373.70	458.95	568.82
Considered Doubtful	126.06	261.78	193.22
	499.76	720.73	762.04
Less: Allowance for Doubt full Receivables	126.06	261.78	193.22
Total	373.70	458.95	568.82

No trade or other receivables are due from directors or other officers of the company either severally or jointly with any other person. Further no trade or other receivables are due from firms or private companies respectively in which any director is a partner, or director or member.

11A. Cash and Cash Equivalent

	(In ₹ Mn)		
	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Cash on hand	9.18	26.10	44.06
Balance with Banks:			
In Current Accounts*	99.62	207.77	58.29
Total	108.80	233.87	102.35

* Bank balances in current account include collections held on behalf of customers. (Refer Note no 22)

11B Bank Balances other than above

	(In ₹ Mn)		
	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Deposits with original maturity of more than three months and less than twelve months	120.55	109.81	97.00
Unclaimed Dividend account	7.72	6.65	5.05
Total	128.27	116.46	102.05

12. Loans

	(In ₹ Mn)		
	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Unsecured, Considered Good			
Loans to Subsidiaries(Refer Note 44 C)	17.18	40.64	54.38
Less: Allowance for Doubtful Loans	(16.37)	(40.54)	-
Total	0.81	0.10	54.38

Notes to Financial Statements

for the year ended 31 March, 2018

13. Other financial assets

	(In ₹ Mn)		
	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
(Unsecured, Considered good unless otherwise stated)			
Accrued Interest on Deposits, Loan & investments, etc.	218.41	225.02	203.89
Less: Allowance for Doubtful receivables	(215.71)	(221.43)	(157.63)
	2.70	3.59	46.26
Advance to Employees	0.15	1.12	1.58
Other receivable* (Refer Note 46)	283.53	267.95	647.40
Total	286.38	272.66	695.24

*Includes ₹201.53 Mn (₹207.5 Mn in 2017 and ₹ 209.78 Mn in 2016) to two companies are under legal process of recovery and taking to consideration of financial potential of the major borrower and negotiations under way in respect of the other borrower. The management is hopeful of recovering the outstanding amount over a period of time and provision not presently required.

14. Other current assets

	(In ₹ Mn)		
	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
(Unsecured ,Considered good unless otherwise stated)			
Operational Advances	16.72	27.56	9.42
Prepaid Expenses	5.84	6.71	3.22
Balances with Government Authorities	11.49	16.19	12.43
Prepaid Lease Rentals	1.10	1.10	1.10
Others	7.14	0.70	3.24
Total	42.29	52.26	29.41

15. Equity Share Capital

	(In ₹ Mn)					
	As at 31 March, 2018		As at 31 March, 2017		As at 1 April, 2016	
	Number	Amount	Number	Amount	Number	Amount
Authorized:						
Equity Shares of ₹2/- each	12,50,00,000	250.00	12,50,00,000	250.00	12,50,00,000	250.00
Redeemable Preference Shares ₹100/-each	5,00,000	50.00	5,00,000	50.00	5,00,000	50.00
		300.00		300.00		300.00
Issued:						
Equity Shares of ₹2/- each fully paid up	10,83,46,795	216.69	8,81,82,054	176.36	8,77,22,937	175.45
		216.69		176.36		175.45
Subscribed and Paid-up:						
Equity Shares of ₹2/- each fully paid up	10,83,46,795	216.69	8,81,82,054	176.36	8,77,22,937	175.45
		216.69		176.36		175.45

a) Terms /Rights attached to Shareholders

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.

Notes to Financial Statements

for the year ended 31 March, 2018

15. Equity Share Capital (contd..)

b) Reconciliation of equity shares outstanding at the beginning and at the end of the year:

Equity Shares of ₹2 each fully paid	As at 31 March, 2018		As at 31 March, 2017		As at 1 April, 2016	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
Shares at the beginning of the year	8,81,82,054	176.36	8,77,22,937	175.45	8,74,77,537	174.96
Shares issued on exercise of Employee Stock Option Scheme	2,90,516	0.58	459,117	0.91	2,45,400	0.49
Conversion of Foreign currency convertible bond	1,98,74,225	39.75	-	-	-	-
Shares at the end of the year	10,83,46,795	216.69	8,81,82,054	176.36	8,77,22,937	175.45

c) Details of shareholders holding more than 5% of the aggregate shares in the Company:

Name of Share holder	As at 31 March, 2018		As at 31 March, 2017		As at 1 April, 2016	
	No. of Shares	% Holding	No. of Shares	% Holding	No. of Shares	% Holding
Equity Shares of ₹2 each fully paid held by						
Bay Capital India Fixed Income Fund Ltd.,	98,74,726	9.11	-	-	-	-
Goldman Sachs International	90,97,605	8.40	-	-	-	-
Neera And Children Trust	55,99,995	5.17	55,99,995	6.35	55,99,995	6.38
TCI Finance Ltd.	-	-	55,23,205	6.26	81,03,205	9.24
New Horizon Opportunities Master Fund	-	-	50,00,000	5.67	-	-
Macquarie Bank limited	-	-	-	-	5,000,000	5.70
Total	2,45,72,326	22.68	1,61,23,200	18.28	1,87,03,200	21.32

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) 5,94,992 options (Equity Shares of ₹2 each) are reserved under employee stock option scheme as on 31 March, 2018 (Previous year 9,55,303 and 12,34,990 as on 31 March, 2017 and 31 March 2016 respectively) out of this 3,07,992 options, 1,64,000 options and 1,23,000 options will vest/allotment in the year 2018-19, 2019-20 & 2020-21 respectively.

Equity Shares of ₹ 2 each fully paid	As at 31 March, 2018		As at 31 March, 2017		As at 1 April, 2016	
	No. of Equity Shares to be issued as fully paid up	Amount	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	5,94,992	1.19	9,55,303	1.91	12,34,990	2.47
Zero coupon unsecured Foreign currency convertible bonds	-	-	3,00,83,941	60.17	3,00,83,941	60.17
Total	5,94,992	1.19	3,10,39,244	62.08	3,13,18,931	62.64

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 Financial Statements

for the year ended 31 March, 2018

16. Other Equity

	(In ₹ Mn)		
	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
a) Equity component of Foreign Currency convertible bonds (Refer Note: 47)	-	63.16	63.16
b) Securities Premium Account	2,415.40	1,688.81	1,654.96
c) General Reserve	865.75	865.75	865.75
d) Capital Reserve	208.39	208.39	208.39
e) Tonnage Tax Reserve (Utilised)	92.91	92.91	92.91
f) Share Option Outstanding account	22.56	34.48	38.30
g) Special Reserve	2,233.61	2,233.61	2,521.30
h) Retained Earning	1,459.87	1,130.65	1,042.80
i) Other Comprehensive Income	24.95	22.51	16.66
Total Other Equity	7,323.44	6,340.27	6,504.23

A The Description, Nature and Purpose of each reserve within equity are as follows:

- a) **Equity part of FCCB** -Compound Instruments: As per IND AS- 32, Foreign currency convertible bonds (FCCB's) are treated as a compound Financial instrument, which requires segregation of liability and equity component. Therefore, the reserve has been created for equity component which is being utilised at the time of redemption/ conversion and transferred to the free reserves of Other Equity
- b) **Securities Premium Account:** Securities premium account is used to record the premium on issue of equity shares. The same is utilised in accordance with the provisions of The Companies Act, 2013.
- c) **Tonnage Tax Reserve (Utilised):** The Reserve was a statutory reserve which was created and 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
- d) **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.
- 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 reserve upon exercise of stock options by employees.
- f) **Special Reserve:** The Hon'ble Andhra Pradesh High Court, approved the Scheme of Arrangement for amalgamation. (The Scheme) vide its order dated 19 March,, 2013 which inter alia, 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 ₹5555.4 Mn 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.
- 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 there from to retained earnings when the relevant equity securities are derecognised.
 - ii) **Remeasurement of Defined benefit plan:** It comprises of Actuarial losses /(gains) during the reporting period.

Notes to Financial Statements

for the year ended 31 March, 2018

17. Borrowings

(In ₹ Mn)						
	As at 31 March, 2018		As at 31 March, 2017		As at 1 April, 2016	
	Non- Current	Current	Non- Current	Current	Non- Current	Current
Secured						
i) Term Loan From Banks	738.61	247.25	571.98	183.55	530.29	264.07
ii) Term Loan From Financial Institutions	191.58	47.72	117.42	63.83	-	-
Sub Total (A)	930.19	294.97	689.40	247.38	530.29	264.07
Unsecured -						
i) Fixed deposits from public	105.27	31.18	56.02	158.09	190.19	161.31
ii) Foreign Currency Convertible Bonds (Liability Component)	-	-	-	1,910.49	-	1,863.05
Amount disclosed under the head "Other Current Financial Liabilities" (Refer Note: 22)	-	(326.15)	-	(2,315.96)	-	(2,288.43)
Sub Total (B)	105.27	-	56.02	-	190.19	-
Total (A+B)	1,035.46	-	745.42	-	720.48	-

(In ₹ Mn)					
Bank Name	No of Instalments pending	Instalment Amount	Starting Date	Outstanding Amount	Nature of Security / Pledge
State Bank of India	16	10.00	30-Jun-18	160.00	Note (A)
Karur Vysya Bank	5	18.75	30-Sep-15	93.75	Note (B)
Syndicate Bank	15	18.75	31-Mar-18	281.25	Note (C)
Hero Fincorp Ltd	51	4.62	8-Jul-17	235.57	Note (D)
Kotak Mahindra Bank Ltd - Loan I	57	1.69	5-Jan-18	96.09	Note (E)
Kotak Mahindra Bank Ltd - Loan II	57	3.51	25-Apr-18	200.00	
South Indian Bank Ltd	74	2.11	31-Mar-16	156.15	Note (F)
Vehicle Loan	52	0.14	1-Aug-13	7.31	Note (G)
Unwinding interest on term loan				(4.96)	

Notes	Nature of Security/Pledge
A)	First pari Passu charge along with other working capital lenders on the entire current assets of the Company and property situated at 1) Verna Industrial Estate Salcete, Goa. 2) Pimplas village, Bhiwandi, Thane District, Mumbai. 3) Lonard Village, Bhiwandi, Thane District, Mumbai.
B)	First charge by way of equitable mortgage of properties at: 1) Immovable property situated in Mihan, Nagpur. 2) Land and structure built at Tumkur Road Madhavara post, Bangalore 3) Personal Guarantee of Managing Director.
C)	1) Extension of 1 st Mortgage charge on property located at Hobli, Bangalore of Gati Kintetsu Express Private Limited. 2) Subservient Charge on current asset and Property, Plant and Equipment of the company (both Present and Future)
D)	First charge by way of equitable mortgage of properties at: 1) Property at Binola, Gurgaon (Haryana). 2) Land and Building situated at Secunderabad, Telangana. (In place of shameerpet) 3) Personal Guarantee of Managing Director
E)	First and exclusive charge by way of mortgage of Immovable property situated at Smalkha, New Delhi.
F)	1) Mortgage of Ground+3 Floors of Building at Kondapur, Hyderabad. 2) Hypothecation of Future Rent receivables from GATI Kintetsu Express Pvt Ltd by escrowing the lease rentals.
G)	Hypothecated against vehicles.

Notes to Financial Statements

for the year ended 31 March, 2018

18. Other financial liabilities

	(In ₹ Mn)		
	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Interest accrued but not due on borrowings	3.03	1.46	12.18
Rental Obligation	24.65	27.67	29.78
Security Deposit	31.06	33.58	27.40
Total	58.74	62.71	69.36

19. Provisions

	(In ₹ Mn)		
	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Employee Benefits			
- Leave Encashment	4.10	1.38	1.62
Total	4.10	1.38	1.62

20. Borrowings

	(In ₹ Mn)		
	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Secured			
Working Capital facilities			
From banks	69.63	232.02	274.49
Total	69.63	232.02	274.49

Particulars of Nature of Security:

	(In ₹ Mn)		
	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
1 Working capital loan is secured by first charge on entire current assets of the company on pari passu basis with other working capital lenders with property situated at			
1) Verna Industrial Estate, Salcete, Goa.			
2) Pimplas village, Bhiwandi, Thane District, Mumbai.			
3) Lonard Village, Bhiwandi, Thane District, Mumbai.	51.06	143.10	256.60
2 Working capital loan is secured by first charge on entire current assets of the company on pari passu basis with other working capital lenders along with immovable properties in Mumbai, Bangalore, Jaipur, and Port Blair as collateral security. The same security is extended as collateral to a subsidiary.	18.57	88.92	17.89
Total	69.63	232.02	274.49

Notes to Financial Statements

for the year ended 31 March, 2018

21. Trade Payables

	(In ₹ Mn)		
	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
For Goods and Services			
Dues of Micro, Small and Medium enterprises (Refer Note No: 38)			
Dues of creditors other than micro enterprises and small enterprises*	421.59	245.34	314.20
Total	421.59	245.34	314.20

* Including acceptances.

22. Other financial liabilities

	(In ₹ Mn)		
	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Current Maturities of Long-term debt Term Loan (Refer Note. 17)	326.15	2,315.96	2,288.43
Security Deposits	20.48	39.90	2.86
Corporate Guarantee Obligation	3.64	7.78	8.35
Rental Obligation	3.02	3.02	2.72
Interest accrued but not due on Borrowings	2.45	21.80	18.35
Unpaid Dividends (a)	7.72	6.65	5.05
Employee benefits Liabilities	27.17	9.48	29.35
Unpaid matured deposits and interest accrued thereon	9.31	16.31	11.66
Liability towards guarantee invoked (Refer Note.33)	236.00	-	-
Others	152.54	118.23	173.42
Total	788.48	2,539.13	2,540.19

(a) These figures do not include any amount, due and outstanding, to be credited to Investor Education and Protection fund under Section 125 of Companies Act, 2013

23. Other current liabilities

	(In ₹ Mn)		
	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Statutory dues payable	13.78	5.79	7.46
Other Advances			
Due to Subsidiary(Refer Note no 44C)	-	-	63.33
Due to Associate	25.79	-	-
Others*	28.00	27.51	22.65
Total	67.57	33.30	93.44

24. Provisions

	(In ₹ Mn)		
	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Provision for Employee Benefits			
Leave Encashment	0.64	0.94	1.05
Total	0.64	0.94	1.05

Notes to Financial Statements

for the year ended 31 March, 2018

25. Revenue from Operations

	(In ₹ Mn)	
	Year ended 31 March, 2018	Year ended 31 March, 2017
Sale of Services		
Freight, Ecom, Demurrage and Miscellaneous services	2,027.99	2,794.59
Sale of Products		
Sale of Diesel, Petrol and Lubricants	2,399.32	2,149.48
Total (A)	4,427.31	4,944.07
Other Operating Revenue		
Management Fee from Subsidiaries	19.80	18.85
Other recoveries	13.95	18.01
Total (B)	33.75	36.86
Grand Total (A+B)	4,461.06	4,980.93

26. Other Income

	(In ₹ Mn)	
	Year ended 31 March, 2018	Year ended 31 March, 2017
Interest Income on		
Unwinding of other financial assets	25.69	51.06
Refund of Income tax	24.03	2.44
Dividend Income		
From Subsidiary	103.60	138.60
Other Non Operating Income		
Rental Income	60.05	54.94
Net Foreign Exchange Gain	1.41	-
Net Gain on disposal of Property, plant & equipment	46.62	-
Liabilities no longer required written back *(Refer note 47)	516.12	0.10
Others	8.68	12.17
Total	786.20	259.31

* ₹ 28.66 Mn of provision made for loans and advances earlier years against special reserve now no longer required. This amount was not credited back to special reserve account as the Scheme of arrangement (Refer Note 16A(f)) did not contemplate any accretion to special reserve account.

27. Operating Expenses

	(In ₹ Mn)	
	Year ended 31 March, 2018	Year ended 31 March, 2017
Freight	1,494.98	1,912.63
Vehicles' trip expenses	0.25	0.09
Other Operating Expenses	68.00	81.82
Claims for Loss & Damages (Net)	45.84	89.21
Vehicles' taxes	0.05	0.11
Total	1,609.12	2,083.86

Notes to Financial Statements

for the year ended 31 March, 2018

28. Changes in Inventories of Stock-in-Trade

	(In ₹ Mn)	
	Year ended 31 March, 2018	Year ended 31 March, 2017
Opening Stock:		
Stock-in-trade	14.72	13.09
	14.72	13.09
Less: Closing Stock		
Stock-in-trade	21.29	14.72
	21.29	14.72
Increase / (Decrease) in Inventories of Stock-in-trade	(6.57)	(1.63)

29. Employee benefits expense

	(In ₹ Mn)	
	Year ended 31 March, 2018	Year ended 31 March, 2017
Salaries, Wages & Bonus	272.27	300.57
Contribution to Provident and Other Funds	8.15	10.29
Staff Welfare Expenses	6.86	5.10
Expenses on Employee Stock Option scheme	1.08	0.66
Total	288.36	316.62

30. Finance Costs

	(In ₹ Mn)	
	Year ended 31 March, 2018	Year ended 31 March, 2017
Interest Expense on		
Term Loans and Working Capital	166.04	131.00
Public Deposits	20.38	37.88
Others	7.15	49.40
Total	193.57	218.28

31. Depreciation and amortization expense

	(In ₹ Mn)	
	Year ended 31 March, 2018	Year ended 31 March, 2017
Depreciation on Tangible Assets	49.53	51.29
Total	49.53	51.29

Notes to Financial Statements

for the year ended 31 March, 2018

32. Other expenses

	(In ₹ Mn)	
	Year ended 31 March, 2018	Year ended 31 March, 2017
A Administration Expenses		
Rent	19.51	20.52
Rates and Taxes	5.09	5.71
Insurance	1.91	1.62
Telephone expenses	7.69	7.68
Printing and Stationery	4.00	4.15
Travelling expenses	11.76	13.05
Electricity	2.95	3.71
Professional and Consultancy Charges	23.19	11.05
Bank Collection charges	18.87	18.59
Legal expenses	5.24	10.95
Advertisement Expenses	4.03	3.25
Corporate Social Responsibility Expenditure [Refer Note: 32.1]	-	0.42
Charity and Donation	-	0.40
Directors Sitting fees	1.66	2.07
Commission to Non-Whole-time Directors	2.10	2.10
Payment to Auditors [Refer Note: 32.2]	1.32	0.75
Allowance for Bad and Doubtful Debts	(10.98)	65.41
Bad debts and irrecoverable balances written off	122.75	9.14
Provision for loss allowances recognised earlier years	(122.75)	-
Provision for Investment	0.49	0.79
Net loss arising from investment designated at FVTPL	-	55.00
Net Foreign Exchange gain/ (loss)	-	2.17
Net Loss on Sale of Property, plant & equipment	-	0.86
Miscellaneous expenses	21.30	20.89
Sub Total (A)	120.13	260.28
B REPAIRS & MAINTAINANCE		
Other Vehicles	0.49	0.00
Plant and Equipment's	0.50	0.08
Computers	2.91	3.36
Office Maintenance and Repairs	12.10	17.32
Sub Total (B)	16.00	20.76
Total (A+B)	136.13	281.04

32.1 Corporate Social Responsibility Expenditure

	(In ₹ Mn)	
	Year ended 31 March, 2018	Year ended 31 March, 2017
Gross amount required to be spent by the company during the year (A)	6.69	1.72
Amount Spent during the period (B)		
i) Construction/Acquisition of any asset	-	-
ii) On purpose other than (i) above	-	0.42
	-	0.42
Amount Unspent (A-B)	6.69	1.30

Notes to Financial Statements

for the year ended 31 March, 2018

32. Other expenses (contd..)

32.2 Payment to auditor (Excluding Goods and Service Tax)

	(In ₹ Mn)	
	Year ended 31 March, 2018	Year ended 31 March, 2017
Statutory Audit fees	0.70	0.45
Taxation Matters	0.30	0.30
Certification fees and other services	0.32	-
Total	1.32	0.75

33. Exceptional Items

	(In ₹ Mn)	
	Year ended 31 March, 2018	Year ended 31 March, 2017
Provision for Invocation of Corporate guarantee *	236.00	-
Total	236.00	-

*Exceptional item of ₹236 Mn represents Invocation of Corporate Guarantee in favour of financial institution, which has been challenged by the company under appeal.

34. Tax Expenses

	(In ₹ Mn)	
	Year ended 31 March, 2018	Year ended 31 March, 2017
Income Tax recognised in Statement of Profit and Loss		
Current Tax	61.99	23.27
Deferred Tax	-	-
Income Tax for earlier years	-	-
Total	61.99	23.27

34.1 Reconciliation of Income Tax expense for the year with book profits

	(In ₹ Mn)	
	Year ended 31 March, 2018	Year ended 31 March, 2017
Profit before Tax	406.75	198.84
Applicable Tax Rate	34.608%	34.608%
Tax Expense	140.77	68.81
Tax Effect of :		
Non-deductible expenses for tax purpose	1.04	0.74
Effect of different tax rate on certain items	(11.00)	-
Non-taxable income for tax purpose	(35.85)	(47.96)
Other differences (Including effect of non recognition of Deferred Tax Asset)	19.05	43.39
Utilisation of previously unrecognised tax losses	(113.99)	(41.72)
MAT payable at 18.5% on the adjusted book profits of the company in accordance with the provisions of Income Tax Act, 1961	61.99	-
Income tax recognised in profit or loss	61.99	23.27

MAT Credit has not been recognised by the company in view of management .

Notes to Financial Statements

for the year ended 31 March, 2018

35. Contingent liabilities and Commitments

(I) Contingent Liabilities (to the extent not provided for)

	As at 31 March, 2018	As at 31 March, 2017	(In ₹ Mn) As at 1 April, 2016
(a) Claim against the Company not acknowledged as debt			
(i) Income tax Demand disputed in appeals	1,210.34	-	285.25
(ii) Service Tax demand disputed in appeals	456.88	-	-
(iii) Others	70.25	-	-
Total	1,737.47	-	285.25
(b) Bank Guarantee (*)	3.29	4.14	-
(c) Corporate Guarantee outstanding (**)	541.88	1,079.72	1,149.50

(*) Bank Guarantee is issued to meet certain business obligations towards govt agencies and certain customers.

(**) Corporate guarantee given to Subsidiary companies and others.

(II) Commitments

	As at 31 March, 2018	As at 31 March, 2017	(In ₹ Mn) As at 1 April, 2016
(a) Commitment for acquisition of Property, Plant & Equipment's (Net of advances)			
Towards Property, plant & Equipment	2.64	-	-
Total	2.64	-	-

36. Operating lease

Certain leasehold land is held on operating lease. There is no restrictions imposed in lease agreements. There are no subleases. The leases are cancellable. Premium paid on leasehold land is amortised over a period of lease.

Operating Lease Amortisation Schedule :

	As at 31 March, 2018	As at 31 March, 2017	(In ₹ Mn) As at 1 April, 2016
i) Not later than one year	1.10	1.10	1.10
ii) Later than one year but not later than five years	4.41	4.41	4.41
iii) Later than five years	93.45	94.56	95.66
Total	98.96	100.07	101.17

37. Disclosure as required under Ind As 19 on Employee Benefits:

	As at 31 March, 2018	As at 31 March, 2017	(In ₹ Mn) As at 1 April, 2016
Statement of Assets and Liabilities for defined benefit obligation			
Defined benefit asset - Gratuity Plan	17.00	12.24	15.19
Defined benefit obligation - Gratuity Plan	9.87	11.54	11.95
Net employee benefit (liabilities) / Asset	7.13	0.70	3.24

Notes to Financial Statements

for the year ended 31 March, 2018

37. Disclosure as required under Ind As 19 on Employee Benefits:

Defined contribution

The expense for defined contribution plans amounted to ₹ 8.16 Mn and ₹ 10.29 Mn for the year ended 31 March, 2018 and 31 March, 2017 respectively. Out of these, ₹ 9.72 Mn (31 March, 2017 ₹ 9.4 Mn) pertains to provident / pension funds and ₹ 0.21 Mn (31 March, 2017 ₹ 0.23 Mn) pertains to superannuation fund plan.

Defined benefits - Gratuity

The Company 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 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.

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 ₹ Mn)	
	As at 31 March, 2018	As at 31 March, 2017
(I) Reconciliation of present value of defined benefit obligation		
(a) Balance at the beginning of the year	11.54	11.95
(b) Current service cost	2.43	0.68
(c) Interest cost	0.94	0.97
(d) Past service cost	0.70	-
(e) Benefits paid	(2.70)	(4.93)
(f) Actuarial (gains)/ losses recognised in other comprehensive income	-	2.87
change in financial assumptions	(3.40)	-
experience adjustments	0.36	-
Balance at the end of the year	9.87	11.54
(II) Reconciliation of present value of plan assets		
(a) Balance at the beginning of the year	12.24	15.19
(b) Actual return on plan assets	1.11	0.98
(c) Contributions by the employer	6.35	1.00
(e) Benefits paid	(2.70)	(4.93)
Balance at the end of the year	17.00	12.24
(III) Net asset/ (liability) recognised in the Balance Sheet		
(a) Present value of defined benefit obligation	(9.87)	(11.54)
(b) Fair value of plan assets	17.00	12.24
Net defined benefit Asset/(obligations) in the Balance Sheet	7.13	0.70
(IV) Expense recognised in Statement of Profit or Loss		
(a) Current service cost	2.43	0.68
(b) Past Service Cost	0.70	-
(c) Interest cost	-	0.97
(d) Interest income	(0.06)	(0.98)
Amount charged to Profit or Loss	3.07	0.67

Notes to Financial Statements

for the year ended 31 March, 2018

37. Disclosure as required under Ind As 19 on Employee Benefits: (contd..)

Reconciliation of the net defined benefit (asset)/ liability:

	(In ₹ Mn)	
	As at 31 March, 2018	As at 31 March, 2017
(V) Remeasurements recognised in Other Comprehensive Income		
(a) Actuarial gain / (loss) on defined benefit obligation	(3.04)	(2.87)
(b) Return on plan asset excluding interest income	(0.12)	-
Amount recognised in Other Comprehensive Income	(3.16)	(2.87)
(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	7.65%	8.13%
(b) Future salary growth	3.00%	3.00%
(c) Retirement age (years)	58	58
(d) Withdrawal rates	9%	9%
(e) Mortality rate	100%	100%

Assumptions regarding future mortality experience are set in accordance with the published rates under Indian Assured Lives Mortality (2006-08).

(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 ₹ Mn)			
	As at 31 March, 2018		As at 31 March, 2017	
	Increase	Decrease	Increase	Decrease
(a) Discount rate (1% movement)	9.29	10.50	10.29	13.05
(b) Future salary growth (1% movement)	10.53	9.26	13.70	9.82
(c) Withdrawal assumption (1% movement)	9.98	9.73	10.29	13.05

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.

38. Due to Micro enterprises and small enterprises

	(In ₹ Mn)		
	Year ended 31 March, 2018	Year ended 31 March, 2017	Year ended 1 April 2016
(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.	-	-	-

Notes to Financial Statements

for the year ended 31 March, 2018

38. Due to Micro enterprises and small enterprises

	(In ₹ Mn)		
	Year ended 31 March, 2018	Year ended 31 March, 2017	Year ended 1 April 2016
(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 31 March, 2018 (Previous year 31 March, 2017)

39. Dividend

	(In ₹ Mn)	
	Year ended 31 March 2018	Year ended 31 March 2017
Dividend on equity shares paid during the year	78.70	87.72
Final Dividend for the FY 2016-17 [₹0.80 (Previous year ₹1) per equity share of ₹ 2 each]	78.70	87.72

Proposed Dividend:

The Board of Directors at its meeting held on 29-05-2018 have recommended a payment of final dividend of ₹0.90 per equity share of face value of ₹2 each for the financial year ended 31 March, 2018. The same amounts to ₹97.51 Mn. The liability to be adjusted against retained earnings.

The above is subject to approval at the ensuing Annual General Meeting of the Company and hence not recognised as a liability

Notes to Financial Statements

for the year ended 31 March, 2018

40. 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 31 March, 2018, including their levels in the fair value hierarchy.

Particulars	Carrying amount					Fair value		
	FVTPL	FVOCI	Other financial assets - amortised cost	Other financial liabilities- amortised cost	Total carrying amount	Level 1	Level 2	Total
Financial assets measured at fair value								
Investment in equity instruments	-	39.05	-	-	39.05	39.05	-	39.05
	-	39.05	-	-	39.05	39.05	-	39.05
Financial assets not measured at fair value								
Investment in equity instruments	0.18	-	-	-	0.18	-	-	0.18
Investment in Debt instruments	-	-	-	-	-	-	-	-
Loans	-	-	182.25	-	182.25	-	-	-
Other financial assets	-	-	286.38	-	286.38	-	-	-
Trade receivables	-	-	373.70	-	373.70	-	-	-
Cash and cash equivalents	-	-	108.80	-	108.80	-	-	-
Other bank balances	-	-	128.27	-	128.27	-	-	-
	0.18	-	1,079.40	-	1,079.58	-	-	0.18
Financial liabilities not measured at fair value								
Borrowing	-	-	-	1,105.08	1,105.08	-	-	-
Trade payables	-	-	-	421.59	421.59	-	-	-
Other financial liabilities	-	-	-	847.22	847.22	-	-	-
	-	-	-	2,373.89	2,373.89	-	-	-

(In ₹ Mn)

Notes to Financial Statements

for the year ended 31 March, 2018

40. Financial instruments - fair values and risk management (contd..)

A. Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities as at 31 March, 2017, including their levels in the fair value hierarchy

Particulars	Carrying amount					Fair value		
	FVTPL	FVOCI	Other financial assets - amortised cost	Other financial liabilities- amortised cost	Total carrying amount	Level 1	Level 2	Total
(In ₹ Mn)								
Financial assets measured at fair value								
Investment in equity instruments	-	39.77	-	-	39.77	39.77	-	39.77
	-	39.77	-	-	39.77	39.77	-	39.77
Financial assets not measured at fair value								
Investment in equity instruments	0.18	-	-	-	0.18	-	-	0.18
Investment in Debt instruments	-	-	-	-	-	-	-	-
Loans	-	-	160.09	-	160.09	-	-	-
Other financial assets	-	-	272.66	-	272.66	-	-	-
Trade receivables	-	-	458.95	-	458.95	-	-	-
Cash and cash equivalents	-	-	233.87	-	233.87	-	-	-
Other bank balances	-	-	116.46	-	116.46	-	-	-
	0.18	-	1,242.03	-	1,242.21	-	0.18	0.18
Financial liabilities not measured at fair value								
Borrowing	-	-	-	977.43	977.43	-	-	-
Trade payables	-	-	-	245.34	245.34	-	-	-
Other financial liabilities	-	-	-	2,601.84	2,601.84	-	-	-
	-	-	-	3,824.61	3,824.61	-	-	-

Notes to Financial Statements

for the year ended 31 March, 2018

40. Financial instruments - fair values and risk management (contd..)

A. Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities as at 1 April 2016, including their levels in the fair value hierarchy.

Particulars	Carrying amount					Fair value		
	FVTPL	FVOCI	Other financial assets - amortised cost	Other financial liabilities- amortised cost	Total carrying amount	Level 1	Level 2	Total
Financial assets measured at fair value								
Investment in equity instruments	-	31.05	-	-	31.05	31.05	-	31.05
	-	31.05	-	-	31.05	31.05	-	31.05
Financial assets not measured at fair value								
Investment in equity instruments	0.18	-	-	-	0.18	-	-	0.18
Investment in Debt instruments	-	-	-	-	-	-	-	-
Loans	-	-	197.93	-	197.93	-	-	-
Other financial assets	-	-	695.24	-	695.24	-	-	-
Trade receivables	-	-	568.82	-	568.82	-	-	-
Cash and cash equivalents	-	-	102.35	-	102.35	-	-	-
Other bank balances	-	-	102.05	-	102.05	-	-	-
	0.18	-	1,666.39	-	1,666.57	-	0.18	0.18
Financial liabilities not measured at fair value								
Borrowing	-	-	-	994.97	994.97	-	-	-
Trade payables	-	-	-	314.20	314.20	-	-	-
Other financial liabilities	-	-	-	2,609.55	2,609.55	-	-	-
	-	-	-	3,918.72	3,918.72	-	-	-

(In ₹ Mn)

Notes to Financial Statements

for the year ended 31 March, 2018

40. Financial instruments - fair values and risk management (contd..)

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, 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.

Investments in equity instruments, which are classified as FVOCI are based on market price at the respective reporting date.

ii. Level I fair values

The following table shows a reconciliation from the opening balance to the closing balance for Level I fair values.

	(In ₹ Mn)
Particulars	FVOCI Equity instruments
Balance at 1 April 2016	31.05
Gain included on OCI	
- Net change in fair value (unrealised)	8.72
Balance at 31 March, 2017	39.77
Balance at 1 April 2017	39.77
Gain included on OCI	
- Net change in fair value (unrealised)	(0.72)
Balance at 31 March, 2018	39.05

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, 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 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.

The major part of company's profit is dependent upon the dividend income from a subsidiary, which is related to performance of the subsidiary and dividend distributable by them.

(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 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.

Notes to Financial Statements

for the year ended 31 March, 2018

40. Financial instruments - fair values and risk management (contd..)

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. On account of adoption of Ind AS 109, the Company uses expected credit loss model to assess the impairment loss or gain. The Company 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 ₹ Mn)		
	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Trade Receivables (Gross)	499.76	720.73	762.04
Less: Expected Credit Loss	126.06	261.78	193.22
Trade Receivables (Net)	373.70	458.95	568.82

Reconciliation of Loss allowance provision (Trade Receivables)

	(In ₹ Mn)
	Amount
Loss Allowance on 1 April, 2016	193.22
Change in Loss allowance	68.56
Loss Allowance in 31 March, 2017	261.78
Change in Loss allowance	(135.72)
Loss Allowance in 31 March, 2018	126.06

(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.

31 March, 2018		(In ₹ Mn)			
	Carrying amount	Contractual cash flows			
		Total	Less than 1 year	1 to 5 years	More than 5 years
Borrowings	1,105.08	1,105.08	69.63	1,035.46	
Trade payables	421.59	421.59	421.59		
Other financial liabilities	847.22	847.22	788.48	4.97	53.77
	2,373.89	2,373.89	1,279.70	1,040.43	53.77

Notes to Financial Statements

for the year ended 31 March, 2018

40. Financial instruments - fair values and risk management (contd..)

31 March, 2017

(In ₹ Mn)

	Contractual cash flows				
	Carrying amount	Total	Less than 1 year	1 to 5 years	More than 5 years
Borrowings	977.43	977.43	232.02	745.42	
Trade payables	245.34	245.34	245.34		
Other financial liabilities	2,601.84	2,601.84	2,539.13	8.43	54.29
	3,824.62	3,824.61	3,016.49	753.84	54.29

1 April 2016

(In ₹ Mn)

	Contractual cash flows				
	Carrying amount	Total	Less than 1 year	1 to 5 years	More than 5 years
Borrowings	994.97	994.97	274.49	677.25	43.23
Trade payables	314.20	314.20	314.20		-
Other financial liabilities	2,609.55	2,609.55	2,540.19	14.42	54.95
	3,918.72	3,918.72	3,128.88	691.67	98.18

(iii) Market risk

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.

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.

The interest rate profile of the Company's interest bearing financial instruments at the end of the reporting period are as follows:

Particulars	(In ₹ Mn)		
	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Fixed rate instruments			
Financial liabilities			
Vehicle Loans	7.31	4.15	1.40
Term Loans	234.04	178.05	-
Deposits	136.45	214.11	351.51
Foreign Currency Convertible Bonds(FCCB's)	-	1,910.49	1,863.05
	377.80	2,306.80	2,215.96
Variable rate instruments			
Financial assets			
Financial liabilities			
Cash Credit	69.63	232.02	274.49
Term Loans	983.81	754.59	792.95
	1,053.44	986.61	1,067.44
	1,431.24	3,293.41	3,283.40

Notes to Financial Statements

for the year ended 31 March, 2018

40. Financial instruments - fair values and risk management (contd..)

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 ₹ Mn)			
	Effect on Profit before tax		Effect on total equity	
	31 March, 2018	31 March, 2017	31 March, 2018	31 March, 2017
Variable rate instruments - decrease by 100 basis points	10.53	9.87	10.53	9.87
Variable rate instruments - increase by 100 basis points	(10.53)	(9.87)	(10.53)	(9.87)

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 ₹ Mn)			
	Profit or loss		Effect on total equity	
	31 March, 2018	31 March, 2017	31 March, 2018	31 March, 2017
NSE Nifty 50 - increase by 10% (31 March, 2017: 10%)	3.90	3.98	3.90	3.98
NSE Nifty 50 - decrease by 10% (31 March, 2017: 10%)	(3.90)	(3.98)	(3.90)	(3.98)

41. 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.

The company monitors capital on the basis of the following Gearing ratio:

Particulars	(In ₹ Mn)		
	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Total Borrowings	1,105.08	977.43	994.97
Current maturities of long term debt	326.15	2,315.96	2,288.43
Less: Cash and Cash Equivalents	(108.80)	(233.87)	(102.35)
Less: Bank balance other than Cash and Cash Equivalents	(128.27)	(116.46)	(102.05)
Net debt	1,194.16	2,943.06	3,079.00
Total Equity	7,540.13	6,516.63	6,679.68
Gearing ratio	0.16	0.45	0.46

Notes to Financial Statements

for the year ended 31 March, 2018

42. Explanation of Transition to IND AS

As stated in Note 2, the Company has prepared its first financial statements in accordance with Ind AS. For the year ended 31 March, 2017, the Company had prepared its financial statements in accordance with Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act and other relevant provisions of the Act ('previous GAAP').

The accounting policies set out in Note 2 have been applied in preparing the financial statements for the year ended 31 March, 2018 including the comparative information for the year ended 31 March, 2017 and the opening Ind AS balance sheet on the date of transition i.e. 1 April 2016.

In preparing its Ind AS balance sheet as at 1 April 2016 and in presenting the comparative information for the year ended 31 March, 2017, the Company has adjusted amounts reported previously in financial statements prepared in accordance with previous GAAP. This note explains the principal adjustments made by the Company in restating its financial statements prepared in accordance with previous GAAP, and how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

Optional exemptions availed and mandatory exceptions

In preparing the financial statements, the Company has applied the below mentioned optional exemptions and mandatory exceptions.

A. Optional exemptions availed

(i) Property, plant and equipment and intangible assets

As per Ind AS 101 an entity may elect to:

- (i) measure an item of property, plant and equipment at the date of transition at its fair value and use that fair value as its deemed cost at that date;
- (ii) use a previous GAAP revaluation of an item of property, plant and equipment at or before the date of transition as deemed cost at the date of revaluation, provided the revaluation was, at the date of revaluation, broadly comparable to:
 - fair value
 - or cost or depreciated cost under Ind AS adjusted to reflect.

The elections under (i) and (ii) above are also available for intangible assets that meets the recognition criteria in Ind AS 38, Intangible Assets, (including reliable measurement of original cost); and criteria in Ind AS 38 for revaluation (including the existence of an active market). The company has elected to measure certain items of property, plant and equipment at its fair value and use that fair value as its deemed cost at the date of transition to Ind AS. Other items of property, plant and equipment have been measured, as for Ind AS 16.

(ii) Designation of previously recognised financial instruments

Ind AS 101 permits an entity to designate particular equity investments (other than equity investments in subsidiaries, associates and joint arrangements) as at fair value through other comprehensive income (FVOCI) based on facts and circumstances at the date of transition to Ind AS (rather than at initial recognition). Other equity investments are classified at fair value through profit or loss (FVTPL).

The Company has opted to avail this exemption to designate certain equity investments as FVOCI on the date of transition i.e. 1 April 2016 on the basis of facts and circumstances existed at the date of transition to Ind AS.

(iii) Business combinations

Ind AS 101 provides the option to apply Ind AS 103 prospectively from the transition date or from a specific date prior to the transition date. This provides relief from full retrospective application that would require restatement of all business combinations prior to the transition date.

The Company elected to apply Ind AS 103 prospectively to business combinations occurring after its transition date. Business combinations occurring prior to the transition date have not been restated, accordingly Company has elected not to apply Ind-AS 103.

(iv) Investments in Subsidiaries and Associates

The Company has elected either the Indian GAAP carrying amount or fair value at the date of transition as deemed cost for its investment in each subsidiary and associates

Notes to Financial Statements

for the year ended 31 March, 2018

42. Explanation of Transition to IND AS (contd..)

(v) Cumulative translation difference

The Company has availed the option of not to adopt policy for maintaining Foreign currency monetary item translation difference (FCMITDA) account. The balance in FCMITD account on the date of transition has been transferred to retained earnings.

(vi) Fair value measurement of financial assets or liabilities at initial recognition

The Company has applied the requirements of Ind AS 109, "Financial Instruments: Recognition and Measurement", wherever applicable.

B. Mandatory Exceptions

(a) Estimates

As per Ind AS 101, where application of Ind AS requires an entity to make certain estimates that were not required under previous GAAP, those estimates should be made to reflect conditions that existed at the date of transition (for preparing opening Ind AS balance sheet) or at the end of the comparative period (for presenting comparative information as per Ind AS).

- Investment in equity instruments carried at FVPL or FVOCI.
- Investment in debt instruments carried at FVPL and,
- Impairment of financial assets based on expected credit loss model.

The Company's estimates under Ind AS are consistent with the above requirement.

(b) Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets accounted at amortised cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable.

Accordingly, the Company has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. Measurement of the financial assets accounted at amortised cost has been done retrospectively.

C. Reconciliation of Balance Sheet

(In ₹ Mn)							
Particulars	Notes	As at 31 March, 2017			As at 1 April 2016		
		Previous GAAP *	Effect of Transition to Ind AS	Ind AS	Previous GAAP *	Effect of Transition to Ind AS	Ind AS
Assets							
Non Current Assets							
Property, Plant and Equipment	15	1,192.35	1,641.55	2,833.90	1,178.34	1,639.51	2,817.85
Capital Work in Progress		50.35	-	50.35	33.73	-	33.73
Investment in Subsidiaries and Associates	2	5,932.44	(335.28)	5,597.16	5,936.06	(341.97)	5,594.09
Financial Assets							
Investments	8	702.13	(662.18)	39.95	647.13	(615.90)	31.23
Loans	12	196.24	(36.25)	159.99	195.34	(51.79)	143.55
Deferred tax Assets (Net)	4	(48.48)	48.48	0.00	(40.61)	40.61	0.00
Current Tax Asset (Net)		415.58	(6.46)	409.12	365.51	-	365.51
Other non-current assets	3	133.19	4.19	137.38	141.03	2.18	143.21
		8,573.80	654.05	9,227.85	8,456.53	672.64	9,129.17
Current Assets							
Inventories		14.72	-	14.72	13.09	-	13.09
Financial assets							
Trade receivables	7	677.14	(218.19)	458.95	737.73	(168.91)	568.82
Cash and Cash Equivalents		233.87	-	233.87	102.35	-	102.35

Notes to Financial Statements

for the year ended 31 March, 2018

42. Explanation of Transition to IND AS (contd..)

C. Reconciliation of Balance Sheet

Particulars	Notes	(In ₹ Mn)					
		As at 31 March, 2017			As at 1 April 2016		
		Previous GAAP *	Effect of Transition to Ind AS	Ind AS	Previous GAAP *	Effect of Transition to Ind AS	Ind AS
Other Bank Balances		116.46	-	116.46	102.05	-	102.05
Loans		0.10	-	0.10	54.38	-	54.38
Other financial assets	14	473.37	(200.71)	272.66	852.87	(157.63)	695.24
Other current assets	3 & 6	52.44	(0.18)	52.26	26.90	2.51	29.41
		1,568.10	(419.08)	1,149.02	1,889.37	(324.03)	1,565.34
Total Assets		10,141.90	234.97	10,376.87	10,345.90	348.61	10,694.51
Equity And Liabilities							
Equity							
Equity Share Capital		176.36	-	176.36	175.45	-	175.45
Other Equity	13	6,108.79	231.48	6,340.27	6,052.54	451.69	6,504.23
Total Equity		6,285.15	231.48	6,516.63	6,227.99	451.69	6,679.68
Liabilities							
Non-Current Liabilities							
Financial liabilities							
Borrowings	1	747.44	(2.02)	745.42	723.37	(2.89)	720.48
Other financial liabilities	3	66.81	(4.10)	62.71	72.79	(3.43)	69.36
Provisions	6 & 11	473.55	(472.17)	1.38	409.17	(407.55)	1.62
		1,287.80	(478.29)	809.51	1,205.33	(413.87)	791.46
Current Liabilities							
Financial liabilities							
Borrowings		232.02	-	232.02	274.49	-	274.49
Trade payables		245.34	-	245.34	314.20	-	314.20
Other financial liabilities	1,3 & 9	2,057.40	481.73	2,539.13	2,141.74	398.45	2,540.19
Other current liabilities		33.30	-	33.30	93.44	-	93.44
Provisions	5 & 6	0.89	0.05	0.94	88.71	(87.66)	1.05
		2,568.95	481.78	3,050.73	2,912.58	310.79	3,223.37
Total Equity And Liabilities		10,141.90	234.97	10,376.87	10,345.90	348.61	10,694.51

*The Previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

D. Reconciliation of TOTAL COMPREHENSIVE INCOME for the year ended 31 March, 2017

Particulars	Notes	(In ₹ Mn)		
		Year ended 31 March, 2017		
		Previous GAAP *	Effect of Transition to Ind AS	Ind AS
i) Income				
Revenue from Operations		4,980.93	-	4,980.93
Other Income	3, 8,9&12	282.33	(23.02)	259.31
Total Income (I)		5,263.26	(23.02)	5,240.24
ii) Expenses				
Operating Expenses		2,083.87	-	2,083.87
Purchase of stock-in-trade		2,091.93	-	2,091.93
Changes in Inventories of Stock-in-Trade		(1.63)	-	(1.63)
Employee benefits expense	6 & 10	316.54	0.08	316.62
Finance Costs	1 & 11	215.01	3.27	218.28
Depreciation and amortization expense	15	53.32	(2.03)	51.29
Other expenses	3 & 7	175.47	105.57	281.04
Total Expenses (II)		4,934.51	106.89	5,041.40

Notes to Financial Statements

for the year ended 31 March, 2018

42. Explanation of Transition to IND AS (contd..)

D. Reconciliation of TOTAL COMPREHENSIVE INCOME for the year ended 31 March, 2017

(In ₹ Mn)				
Particulars	Notes	Year ended 31 March, 2017		
		Previous GAAP *	Effect of Transition to Ind AS	Ind AS
iii) Profit Before Tax (I-II)		328.75	(129.91)	198.84
iv) Tax Expenses				
Current Tax		23.27	-	23.27
Deferred Tax	4	7.87	(7.87)	-
Total Tax Expenses		31.14	(7.87)	23.27
v) Profit For The Year (III-IV)		297.61	(122.04)	175.57
vi) Other Comprehensive Income (OCI)				
Items not to be reclassified to profit or loss :				
Remeasurement gains/(losses) on defined benefit plans	6	-	(2.87)	-2.87
Equity investments through OCI	8	-	8.72	8.72
Income tax effect on above items		-	-	-
Other Comprehensive Income For The Year, Net Of Tax		-	5.85	5.85
vii) Total Comprehensive Income For The Year (V+VI)*		297.61	(116.19)	181.42

* The Previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

E. Effect of IND AS adoption on the Statement of Cash flows for the year ended 31 March, 2017

Particulars	Year ended 31 March, 2017		
	Previous GAAP *	Effect of Transition to Ind AS	Ind AS
(In ₹ Mn)			
Net Cash flow from Operating Activities	587.42	(186.13)	401.29
Net Cash flow from Investing Activities	157.94	-138.95	18.99
Net Cash flow from Financing Activities	(599.44)	310.68	(288.77)
Net increase in Cash and Cash Equivalents	145.92	(14.40)	131.53
Cash and Cash Equivalents at the beginning of the year	204.40	(102.05)	102.35
Cash and Cash Equivalents at the end of the year	350.32	(116.45)	233.87

There were no significant reconciliation items between cash flows prepared under previous GAAP and those prepared under Ind AS.

F. Reconciliation of Total Equity as on 31 March, 2017 and 1 April, 2016

			(In ₹ Mn)
Particulars	Note to First Time Adoption	As at 31 March, 2017 (End of Last Period presented under previous GAAP)	As at 1 April 2016 (Date of Transition)
Equity under Previous Indian GAAP		6,285.15	6,227.99
Adjustments to Other equity:			
Other Adjustments	1,3,9,6	10.55	5.82
On account of Fair valuation of Loan given to Subsidiary	12	15.28	-
On account of Fair valuation of FCCB	11	(535.39)	(454.81)
On account of ECLM Trade Receivables	7	(218.18)	(168.91)

Notes to Financial Statements

for the year ended 31 March, 2018

42. Explanation of Transition to IND AS (contd..)

F. Reconciliation of Total Equity as on 31 March, 2017 and 1 April, 2016

Particulars	Note to First Time Adoption	As at 31 March, 2017 (End of Last Period presented under previous GAAP)	(In ₹ Mn) As at 1 April 2016 (Date of Transition)
On account of Fair valuation of ESOP	10	(10.87)	(10.39)
Reversal of Proposed Dividend & Corporate Dividend Tax	5	-	87.72
Fair Valuation of Investments	2&14	(1,088.38)	(1,032.59)
On account of Fair Valuation of Land	15	1,641.56	1,639.52
Prov on Interest on OCD's	14	(207.16)	(157.63)
Share Option Outstanding account	10	11.00	14.89
Securities Premium Reserve	11	476.13	407.64
Equity investments at FVTOCI	8	25.38	16.66
FCCB Equity Component	11	63.15	63.16
Deferred Tax Impact on the above	4	48.47	40.61
Total Adjustment to Equity		231.54	451.69
Total Equity under Ind-AS		6,516.69	6,679.68

G. Notes to the reconciliations of equity as at 1 April 2016 and 31 March, 2017 and total comprehensive income for the year ended 31 March, 2017

1) Borrowings

The Company recognised the transaction costs pertaining to the borrowings on a straight line basis over the term of the loan under IGAAP. The unamortised portion of such cost was recognised as part of 'Prepaid expense' which amounted to ₹ 3.74 Mn on the date of transition to IND AS. As per IND AS 109, borrowings are measured at amortised cost and hence, unamortised portion of transaction costs has been adjusted against the amount of borrowings

2) Investments in Subsidiaries and Associate

The Company has availed the option to value investments in subsidiaries and associate as Ind As cost. The Ind As cost has been derived by impairing value of investment as on the date of transition to IND AS separate financial statements from previous GAAP. Under IGAAP the company has practice of providing provision on investment under permanent diminution valuation method, on transition to Ind As management has decided to impair the investment based on the report provided from independent valuer:

- Further, on the transition date, Equity and other financial instruments in subsidiary company, has been impaired as per the Independent valuer report and adjusted against retained earnings of ₹400 Mn.
- As per requirement of Ind As impairment test should be made at the end of each financial year. Further based on the progress of Investee Company's provision will be adjusted accordingly by taking into account of the progress made by said companies going forward.

3) Discounting of financial asset

Under IGAAP, the Company accounted for Security deposit and other receivable balances as Loans and advances measured at cost. Under IND AS, such balances are classified and measured at amortised cost using effective interest rate method. At the date of transition to IND AS, the difference between amortised cost and the IGAAP carrying amount has been recognised in other equity (net of related deferred tax).

Notes to Financial Statements

for the year ended 31 March, 2018

42. Explanation of Transition to IND AS (contd..)

G. Notes to the reconciliations of equity as at 1 April 2016 and 31 March, 2017 and total comprehensive income for the year ended 31 March, 2017

4) Deferred tax

IGAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. IND AS 12 requires entities to account for deferred tax using balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. This has resulted in recognition of deferred tax on new temporary difference which was not required under IGAAP. In addition, the various transitional adjustments leads to temporary differences. According to the accounting policies, the Company has to account for such differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in other equity or a separate component of equity.

5) Provisions

Under IGAAP, proposed dividends including dividend distribution tax (DDT) are recognised as liability in the period in which they relate, irrespective of when they are declared. Under IND AS, a proposed dividend is recognised as a liability by the company in the period in which it is declared by the company (usually when approved by shareholders in a general meeting) or paid.

In case of the Company, the declaration of dividend occurs after the period end. Therefore, the liability of ₹ 87.72 Mn for the year ended on 31 March, 2016 recorded for dividend has been derecognised against other equity on 1 April, 2016. Proposed dividend amounting ₹ 87.72 Mn which was derecognised as on the transition date, has been recognised in other equity during the year ended 31 March, 2017 as declared and paid.

6) Defined benefit liabilities

Both under IGAAP and IND AS, the Company recognised costs related to its post employment defined benefit plan on an actuarial basis. Under IGAAP, the entire cost, including actuarial gains and losses, are charged to the statement of profit and loss. Under IND AS, remeasurements (comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts in net interest on the net defined benefit liability) are recognised immediately in the balance sheet with a corresponding debit or credit to other comprehensive income (OCI).

7) Trade Receivables

Under IGAAP, the Company has created provisions for impairment of receivables which consist only in respect of specific amount for probable losses. Under IND AS 109, requires to recognise allowance on trade receivables and other financial assets of the company, at an amount equal to the life time expected credit loss or the 12 months expected credit loss based on increase in credit risk. On transition date, impairment for trade receivables made as per Expected credit loss method (ECLM) is 168.9 Mn has been adjusted against retained earnings.

8) Financial Assets

Under IGAAP, the Company accounted for long term investments in quoted and unquoted equity shares as investment measured at cost less provision for other than temporary diminution in the value of investments. Under IND AS, the company has designated certain investments as FVTOCI. At the date of transition to IND AS, difference between the instruments at fair value and IGAAP carrying amount has been recognised as a separate component of equity, in the FVTOCI reserve, net of related deferred taxes. On 31 March, 2017 fair value on FVTOCI instruments has been routed through OCI. The gain/loss on any future extinguishment of such equity investments will not be reflected in the statement of Profit and loss.

9) Corporate Guarantee

For Subsidiary: Under IGAAP, the Company was disclosing the corporate guarantee as Contingent Liability. Under IND AS, the Company has recognised the fair value of Corporate Guarantee provided to its subsidiary companies. The fair value of such guarantee as on 1 April, 2016 been recognised as additional capital investment in its subsidiaries, and is amortised over the period of the guarantee. The impact of amortisation of such fair value of guarantee has been recognised in the statement of profit and loss as interest income for the year ended 31 March, 2017.

For Other Entity: The Company has recognised the fair value of Corporate guarantee provided to other than subsidiary as 'guarantee obligation' as on 1 April, 2016 is amortised over the period of the guarantee in subsequent years

Notes to Financial Statements

for the year ended 31 March, 2018

42. Explanation of Transition to IND AS (contd..)

G. Notes to the reconciliations of equity as at 1 April 2016 and 31 March, 2017 and total comprehensive income for the year ended 31 March, 2017

10) Share Based Payments

Under IGAAP, the Company had recognised the cost of equity settled employee share based payments using the intrinsic value method. Under IND AS, the cost of equity settled share based plan is recognised based on the fair value of the options as at the grant date. Adjustments has been done in to take the additional charge arising due to change from intrinsic value to fair value of ESOS outstanding

11) Foreign Currency Convertible Bond

Foreign currency convertible bonds (FCCB's) are treated as a compound financial instrument under Ind AS, which contains liability and equity component. This bonds has been spited between liability and equity component. Amortisation of redemption premium and Foreign exchange difference on date of transition, is recognised in opening reserves and changes thereafter are recognised in statement of profit and loss, earlier under IGAAP Redemption premium on FCCB charged to Securities Premium account. (Refer Note 47)

12) Loans

Under IGAAP, the Company accounted for interest free loans given to subsidiary as Long term loans and advances measured at cost. Under IND AS, such interest free loans are classified and measured at fair value. The difference between fair value and the IGAAP carrying amount has been recognised as Investments in Subsidiaries on the transition date.

13) Other Comprehensive Income

Under IND AS, all items of income and expenses recognised in a period should be included in profit or loss for the period, unless a standard require or permits otherwise. Items of income and expenses that are not recognised in the statement of Profit or loss but are shown in the Statement of Profit or loss as "Other Comprehensive Income". Net profit along with Other Comprehensive Income constitutes Total Comprehensive Income. The concept of Other Comprehensive Income did not exist under the IGAAP.

14) Fair valuation of Investments

Under Indian GAAP, investments in unquoted and quoted equity shares and debt instrument as investment measured at cost less provision for other than temporary diminution in the value of investments. Under Ind AS, such investments as FVTPL investments and Amortised cost. Ind AS requires FVTPL investments and Amortised cost investments to be measured at fair value. At the date of transition to Ind AS and as on 31 March, 2017, difference between the instrument's fair value and Indian GAAP carrying amount has been recognised in the Retained earning and Statement of Profit and Loss net of related deferred taxes.

- a) On the transition date, Equity and other financial instruments in promoter companies i.e. other than subsidiary companies, have been impaired based on Independent valuer report and adjusted against retained earnings of ₹ 790.19 Mn
- b) As per requirement of Ind As impairment test should be made at the end of each financial year. Further based on the progress of Investee Company's provision will be adjusted accordingly by taking into account of the progress made by said companies going forward.

15) Fair Valuation of Property, Plant and Equipment

The Company has elected to measure certain items of propety, plant and equipment at its fair value and use that value as it deemed cost at the date of transition to Ind as. Others items of propety, plant and equipment have been measured as per Ind As 16 respectively. (Refer note 3d)

Notes to Financial Statements

for the year ended 31 March, 2018

43 Earnings per Share

	(In ₹ Mn)	
	Year ended 31 March, 2018	Year ended 31 March, 2017
Profit for the year (₹ Mn)	344.76	175.57
Weighted average number of shares (Nos.)	102,692,104	88,182,054
Diluted average number of shares (Nos.)	102,942,341	118,699,762
Basic Earnings Per Share (In ₹)	3.36	1.99
Diluted Earnings Per Share (In ₹)	3.35	1.48
Nominal value of shares outstanding (In ₹)	2.00	2.00

44 Related party disclosure

A. Names of related parties and related party relationship for the year ended 31 March, 2018

i) List of Key managerial personnel	1. Mr Mahendra Agarwal	– Founder & CEO
	2. Mr Manoj Gupta	– Chief Financial Officer (Appointed w.e.f 06.05.2017)
	3. Mr Amit Pathak	– Company Secretary, Chief Investor relations & Compliance Officer
ii) Entities in which Significant influence exists	1. TCI Finance Ltd.	
	2. TCI Hi-ways Pvt. Ltd.	
	3. Amrit Jal Ventures Private Ltd.	
	4. Gati Academy	
	5. TCI infrastructure Finance Limited	
	6. Gati infrastructure Sada Mangdar Power Pvt. Ltd.	
	7. Jaldi Traders & Commerce House Pvt. Ltd.	
	8. P D Agarwal Foundation	
	9. Gati Infrastructure Private Limited	
iii) 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. (Formerly Known as 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.	
	10. Gati (Thailand) Ltd.	
iv) Associates	1. Gati Ship Ltd. (Formerly known as Gati Ship Private Limited)	
v) Additional Information as per Ind As	1. Mr K.L. Chugh	– Chairman
	2. Mr N. Srinivasan	– Director
	3. Dr P.S. Reddy	– Director
	4. Mr Sunil Kumar Alagh	– Director
	5. Mr P.N. Shukla	– Director
	6. Mr Yasuhiro Kaneda	– Director (Appointed w.e.f.04.11.2016)
	7. Mr Yoshinobu Mitsuhashi	– Director (Resigned w.e.f.04.11.2016)
	8. Ms Sheela Bhide	– Director

Notes to Financial Statements

for the year ended 31 March, 2018

44 Related party disclosure (contd..)

B. Summary of the transactions with related parties :

								(In ₹ Mn)
SL. No	Nature of Transaction	Key Managerial Personnel & Relatives		Entities in which Significant influence exists		Subsidiaries & step down Subsidiaries		Total
		2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18 2016-17
a)	EXPENDITURE							
	Freight and Other Charges							
	Gati Asia Pacific Pte Ltd	-	-	-	-	0.14	3.52	0.14 3.52
	Gati Cargo Express (Shanghai) Co Ltd.	-	-	-	-	10.54	20.83	10.54 20.83
	Gati Hongkong Ltd	-	-	-	-	0.78	1.75	0.78 1.75
	Zen Cargo Movers Private Ltd	-	-	-	-	1.63	1.89	1.63 1.89
	Gati Kintetsu Express Private Ltd	-	-	-	-	505.54	520.03	505.54 520.03
	Gati (Thailand) Ltd	-	-	-	-	11.25	2.60	11.25 2.60
	Remuneration							
	Mr. Amit Pathak	3.33	1.92	-	-	-	-	3.33 1.92
	Mr. Manoj Kumar Gupta	12.45	-	-	-	-	-	12.45 -
	Mr. VSN Raju	-	0.58	-	-	-	-	- 0.58
	Mr. Sanjeev Kumar Jain	-	7.07	-	-	-	-	- 7.07
	Directors Sitting Fee							
	Mr K L Chugh	0.27	0.31	-	-	-	-	0.27 0.31
	Mr N Srinivasan	0.37	0.42	-	-	-	-	0.37 0.42
	Mr P N Shukla	0.39	0.40	-	-	-	-	0.39 0.40
	Dr P S Reddy	0.19	0.35	-	-	-	-	0.19 0.35
	Ms Sheela Bhide	0.27	0.32	-	-	-	-	0.27 0.32
	Mr Sunil Alagh	0.17	0.27	-	-	-	-	0.17 0.27
	Directors Commission							
	Mr K L Chugh (Chairman & Director)	0.50	0.50	-	-	-	-	0.50 0.50
	Mr N Srinivasan (Director)	0.35	0.35	-	-	-	-	0.35 0.35
	Mr P N Shukla (Director)	0.25	0.25	-	-	-	-	0.25 0.25
	Dr P S Reddy (Director)	0.25	0.25	-	-	-	-	0.25 0.25
	Ms Sheela Bhide (Director)	0.25	0.25	-	-	-	-	0.25 0.25
	Mr Sunil Alagh (Director)	0.25	0.25	-	-	-	-	0.25 0.25
	Mr Yasuhiro Kaneda (Appointed w.e.f. 04.11.2016)	0.25	0.10	-	-	-	-	0.25 0.10
	Mr Yoshinobu Mitsuhashi (Resigned w.e.f 04.11.2016)	-	0.15	-	-	-	-	- 0.15
	Manpower Expenses							
	Gati Academy	-	-	60.68	147.66	-	-	60.68 147.66
b)	INCOME							
	Freight and Other Charges							
	Gati Cargo Express (Shanghai) Co Ltd.	-	-	-	-	104.95	39.20	104.95 39.20
	Gati Hongkong Ltd	-	-	-	-	0.01	0.01	0.01 0.01
	Gati Import Export Trading Limited	-	-	-	-	0.10	1.28	0.10 1.28
	Gati (Thailand) Ltd	-	-	-	-	2.06	3.64	2.06 3.64
	Interest							
	Gati Asia Pacific Pte Ltd	-	-	-	-	0.83	2.23	0.83 2.23
	Amrit Jal Ventures Private Ltd	-	-	50.13	50.13	-	-	50.13 50.13
	Gati Infrastructure Sada Mangder Private Ltd	-	-	14.40	14.40	-	-	14.40 14.40
	TCI Infrastructure Finance Limited	-	-	-	9.90	-	-	- 9.90
	Rent							
	Gati Academy	-	-	0.53	0.53	-	-	0.53 0.53
	TCI Finance Limited	-	-	0.24	0.24	-	-	0.24 0.24
	TCI Hiways Pvt Ltd	-	-	0.06	-	-	-	0.06 -
	Gati Kintetsu Express Private Ltd	-	-	-	-	51.30	46.24	51.30 46.24
	Gati Import Export Trading Limited	-	-	-	-	0.60	0.60	0.60 0.60
	Management Fee							
	Gati Academy	-	-	0.84	0.84	-	-	0.84 0.84
	Gati Kintetsu Express Private Ltd	-	-	-	-	17.30	16.73	17.30 16.73
	Gati Kausar India Ltd.	-	-	-	-	0.65	0.67	0.65 0.67

Notes to Financial Statements

for the year ended 31 March, 2018

44 Related party disclosure (contd..)

(In ₹ Mn)								
SL. No	Nature of Transaction	Key Managerial Personnel & Relatives		Entities in which Significant influence exists		Subsidiaries & step down Subsidiaries		Total
		2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18
								2016-17
	Gati Import Export Trading Limited	-	-	-	-	0.96	0.52	0.96
	Dividend Income							0.52
	Gati Kintetsu Express Private Ltd	-	-	-	-	103.60	138.60	103.60
	Fuel Sales income							138.60
	Gati Kintetsu Express Private Ltd	-	-	-	-	0.48	0.60	0.48
	ESOS Expense Reimbursement							0.60
	Gati Kintetsu Express Private Ltd	-	-	-	-	5.36	4.75	5.36
	Other Expense Reimbursement							4.75
	Gati Kintetsu Express Private Ltd	-	-	-	-	1.29	-	1.29
								-

C. Summary of the transactions with related parties :

(In ₹ Mn)												
SL. No	Nature of Transaction	Associates			Entities in which Significant influence exists			Subsidiaries & step down Subsidiaries			Total	
		As at 31 Mar, 2018	As at 31 Mar, 2017	As at 31 Mar, 2016	As at 31 Mar, 2018	As at 31 Mar, 2017	As at 31 Mar, 2016	As at 31 Mar, 2018	As at 31 Mar, 2017	As at 31 Mar, 2016	As at 31 Mar, 2018	As at 31 Mar, 2017
a)	Investments - Equity											
	TCI Finance Ltd	-	-	-	39.05	39.77	31.05	-	-	-	39.05	39.77
	Gati Ship Limited	862.30	862.30	862.30	-	-	-	-	-	-	862.30	862.30
	Gati Ship Limited Provision	(862.30)	(862.30)	(862.30)	-	-	-	-	-	-	(862.30)	(862.30)
	Amrit Jal Ventures Private Ltd --Equity	-	-	-	187.50	187.50	187.50	-	-	-	187.50	187.50
	Amrit Jal Ventures Private Ltd --Provision	-	-	-	(187.50)	(187.50)	(187.50)	-	-	-	(187.50)	(187.50)
	Gati Asia Pacific Pte Ltd	-	-	-	-	-	-	351.05	275.05	275.05	351.05	275.05
	Gati Asia Pacific Pte Ltd - Provision	-	-	-	-	-	-	(275.05)	(275.05)	(275.05)	(275.05)	(275.05)
	Gati Kausar India Ltd.	-	-	-	-	-	-	399.25	399.25	399.25	399.25	399.25
	Gati Kausar India Ltd. - Provision	-	-	-	-	-	-	(399.25)	(399.25)	(399.25)	(399.25)	(399.25)
	Gati Import Export Trading Limited	-	-	-	-	-	-	23.00	23.00	23.00	23.00	23.00
	Zen Cargo Movers Private Ltd	-	-	-	-	-	-	3.62	3.62	3.62	3.62	3.62
	Zen Cargo Movers Private Ltd	-	-	-	-	-	-	(3.62)	(3.62)	-	(3.62)	(3.62)
	Gati Kintetsu Express Private Ltd	-	-	-	-	-	-	5,510.00	5,510.00	5,510.00	5,510.00	5,510.00
	Gati Logistic Parks Private Limited	-	-	-	-	-	-	53.88	51.17	51.17	53.88	51.17
	Gati Projects Private Limited	-	-	-	-	-	-	0.10	0.10	0.10	0.10	0.10
	Investments - Debentures	-	-	-	-	-	-	-	-	-	-	-
	Amrit Jal Ventures Private Ltd---OCD's	-	-	-	345.72	345.72	345.72	-	-	-	345.72	345.72
	Amrit Jal Ventures Private Ltd - Provision	-	-	-	(345.72)	(345.72)	(345.72)	-	-	-	(345.72)	(345.72)
	Gati Infrastructure Sada Mangder Private Ltd - OCD's	-	-	-	99.34	99.34	99.34	-	-	-	99.34	99.34
	Gati Infrastructure Sada Mangder Private Ltd - Provision	-	-	-	(99.34)	(99.34)	(99.34)	-	-	-	(99.34)	(99.34)
b)	Sundry Debtors - Trade Receivable	-	-	-	-	-	-	-	-	-	-	-
	Gati Kintetsu Express Private Ltd	-	-	-	-	-	-	0.02	0.02	0.12	0.02	0.02
	Gati Cargo Express (Shanghai) Co Ltd.	-	-	-	-	-	-	26.13	5.28	6.80	26.13	5.28
	Gati (Thailand) Ltd	-	-	-	-	-	-	0.76	0.84	2.51	0.76	0.84
	Gati Import Export Trading Limited	-	-	-	-	-	-	0.02	-	-	0.02	-
	Gati Asia Pacific Pte Ltd	-	-	-	-	-	-	-	36.49	38.47	-	36.49
	Gati Hongkong Ltd	-	-	-	-	-	-	-	1.66	0.02	-	1.66
	Sundry Debtors - Other Receivable	-	-	-	-	-	-	-	-	-	-	-
	Amrit Jal Ventures Private Ltd	-	-	-	226.89	176.76	131.64	-	-	-	226.89	176.76
	Gati Infrastructure Sada Mangder Private Ltd	-	-	-	53.35	38.95	25.99	-	-	-	53.35	38.95
	Provision Interest Receivable Amrit Jal Ventures Private Limited	-	-	-	(226.89)	(176.76)	(131.64)	-	-	-	(226.89)	(176.76)
	Provision Interest Receivable- Gati Infrastructure Sada Mangder Pvt Ltd	-	-	-	(53.35)	(38.95)	(25.99)	-	-	-	(53.35)	(38.95)
	TCI Highways Private Ltd	-	-	-	0.06	-	-	-	-	-	0.06	-

Notes to Financial Statements

for the year ended 31 March, 2018

44 Related party disclosure (contd.)

C. Summary of the transactions with related parties : (contd)

(In ₹ Mn)

SL. No	Nature of Transaction	Associates			Entities in which Significant influence exists			Subsidiaries & step down Subsidiaries			Total		
		As at 31 Mar, 2018	As at 31 Mar, 2017	As at 31 Mar, 2016	As at 31 Mar, 2018	As at 31 Mar, 2017	As at 31 Mar, 2016	As at 31 Mar, 2018	As at 31 Mar, 2017	As at 31 Mar, 2016	As at 31 Mar, 2018	As at 31 Mar, 2017	As at 31 Mar, 2016
	Gati Academy	-	-	-	0.37	-	4.90	-	-	-	0.37	-	4.90
	TCI Finance Ltd	-	-	-	0.48	0.31	0.06	-	-	-	0.48	0.31	0.06
	TCI Infrastructure Finance Limited	-	-	-	-	-	39.00	-	-	-	-	-	39.00
	Gati Kintetsu Express Private Ltd	-	-	-	-	-	-	6.94	5.37	0.58	6.94	5.37	0.58
	Gati Import Export Trading Limited	-	-	-	-	-	-	0.98	1.02	-	0.98	1.02	-
	Gati Kausar India Ltd.	-	-	-	-	-	-	0.86	0.17	0.07	0.86	0.17	0.07
	Gati Asia Pacific Pte Ltd	-	-	-	-	-	-	-	5.72	3.84	-	5.72	3.84
	Gati Asia Pacific Pte Ltd (Provision)	-	-	-	-	-	-	-	(5.72)	-	-	(5.72)	-
	Gati (Thailand) Ltd	-	-	-	-	-	-	5.99	-	-	5.99	-	-
c)	Loans & Advances - Given												
	Jaldi Traders & Commerce House Private Ltd	-	-	-	66.64	72.64	74.89	-	-	-	66.64	72.64	74.89
	TCI Highways Private Ltd	-	-	-	134.90	134.90	134.90	-	-	-	134.90	134.90	134.90
	TCI Infrastructure Finance Limited	-	-	-	-	-	82.50	-	-	-	-	-	82.50
	Gati Asia Pacific Pte Ltd	-	-	-	-	-	-	20.47	21.58	-	20.47	21.58	-
	Gati Asia Pacific Pte Ltd (Provision)	-	-	-	-	-	-	(20.47)	-	-	(20.47)	-	-
	Gati Hongkong Ltd	-	-	-	-	-	-	3.70	3.69	-	3.70	3.69	-
	Gati Hongkong Ltd (Provision)	-	-	-	-	-	-	(3.70)	-	-	(3.70)	-	-
	Zen Cargo Movers Private Ltd	-	-	-	-	-	-	0.80	-	12.26	0.80	-	12.26
	Gati Logistic Parks Private Limited	-	-	-	-	-	-	178.76	154.22	138.96	178.76	154.22	138.96
	Gati Projects Private Limited	-	-	-	-	-	-	0.11	0.09	0.06	0.11	0.09	0.06
	Gati (Thailand) Ltd	-	-	-	-	-	-	16.37	16.37	16.75	16.37	16.37	16.75
	Gati (Thailand) Ltd (Provision)	-	-	-	-	-	-	(16.37)	(16.37)	-	(16.37)	(16.37)	-
d)	Sundry Creditors												
	Gati Cargo Express (Shanghai) Co Ltd.	-	-	-	-	-	-	4.41	6.15	4.29	4.41	6.15	4.29
	Gati Asia Pacific Pte Ltd	-	-	-	-	-	-	1.79	1.87	-	1.79	1.87	-
	Gati Hongkong Ltd	-	-	-	-	-	-	0.14	0.25	-	0.14	0.25	-
	Gati (Thailand) Ltd	-	-	-	-	-	-	0.32	0.38	2.22	0.32	0.38	2.22
	Zen Cargo Movers Private Ltd	-	-	-	-	-	-	0.46	0.67	0.53	0.46	0.67	0.53
	Gati Kintetsu Express Private Ltd	-	-	-	-	-	-	286.47	103.05	276.31	286.47	103.05	276.31
	Gati Ship Limited	25.70	-	-	-	-	-	-	-	-	25.70	-	-
e)	Deposit and Advance (Taken)												
	Gati Kintetsu Express Private Ltd	-	-	-	-	-	-	65.35	65.35	60.61	65.35	65.35	60.61
	Gati Academy	-	-	-	-	9.00	31.21	-	-	-	-	9.00	31.21
	P D Agarwal Foundation	-	-	-	25.00	27.50	22.50	-	-	-	25.00	27.50	22.50
f)	Corporate Guarantees given												
	Gati Kintetsu Express Private Ltd	-	-	-	-	-	-	517.50	806.97	868.17	517.50	806.97	868.17
	Gati Infrastructure Private Limited	-	-	-	236.00	236.00	236.00	-	-	-	236.00	236.00	236.00
	Gati Kausar India Ltd.	-	-	-	-	-	-	24.38	36.75	45.33	24.38	36.75	45.33

45 Disclosures Pursuant To Securities And Exchange Board Of India (Listing Obligations And Disclosure Requirements) Regulations, 2015 And Section 186 Of The Companies Act, 2013

The Loan and advances in the nature of loan to subsidiaries.

(In ₹ Mn)

Name of the Company	Amount as at 31.03.2018	Amount as at 31.03.2017	Amount as at 31.03.2016
Gati Logistic Parks Private Limited*	178.76	154.22	138.96

*The management is confident of recovery of the amount in due course and no provision is considered necessary by the management at present for diminution in the value of investments.

46 Advance receivable includes ₹ 41 mn due from Air India Limited .The matter was referred to arbitration of the arbitral tribunal and the arbitral tribunal passed an award dated 17 September, 2013 , directing Air India Limited to pay an amount of ₹ 266 Mn to the company and to pay interest @18 % per annum on the awarded amount .Air India preferred an application before the Hon'ble Delhi High court seeking setting aside of award who directed Air India to deposit ₹ 225 Mn which as been paid to the company ,pending adjudication of

Notes to Financial Statements

for the year ended 31 March, 2018

Cross Appeals before the Division Bench of the said Hon'ble High Court at New Delhi. Necessary adjustments, if any, will be made in the accounts upon the decision of the Hon'ble High Court of New Delhi. In the circumstances, the dues from air India limited of ₹ 41 Mn included in advances receivable are considered good for recovery by the management.

47 Foreign Currency Convertible Bonds :

On 12 December, 2011, the Company issued 22,182 Zero Coupon Unsecured Foreign Currency Convertible Bonds (FCCBs) of US\$ 1,000 each for an amount of US\$ 22.18 Mn at an redemption price of 132.8341 percent of principal amount. On 14 June 2017 and 08th August 2017, the Company allotted 1,98,74,225 equity shares of ₹2/- each against 14,654 FCCBs as per settlement agreement with FCCB holders (Allotment price per share is ₹38.52/- at an exchange rate of ₹52.2285/\$) and the balance 7,528 FCCBs has been redeemed for an amount of ₹643.70 Mn as on 14 June 2017. Expenses related to the issue of shares amounting to ₹29.56 Mn have been adjusted against Securities Premium. Further liability no longer required against FCCBs and the gain of ₹ 487.43Mn (Foreign exchange gain of ₹178.20 Mn and Redemption premium part ₹309.20 Mn) recognised due to conversion of FCCBs into equity shares.

As per IND AS- 32, Foreign currency convertible bonds (FCCB's) are treated as a compound Financial instrument, which requires segregation of liability and equity component. Therefore, the reserve has been created for equity component which is being utilised at the time of redemption/ conversion and transferred to the free reserves of Other Equity

48 Employee Share-Based Payment:

Details of grants under various series are summarised below

SL. Description No	Year ended 31 March, 2018			Year ended 31 March, 2017		
	ESOS-2001	ESOS-2006	ESOS-2007	ESOS-2001	ESOS-2006	ESOS-2007
1 Date of shareholders' approval	17.10.2001	11.10.2006	13.10.2007	17.10.2001	11.10.2006	13.10.2007
2 Total number of options approved under ESOS	3,217,500	1,782,500	1,755,720	3,217,500	1,782,500	1,755,720
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					

SL. Description No	Year ended 31 March, 2018			Year ended 31 March, 2017		
	ESOS-2001	ESOS-2006	ESOS-2007	ESOS-2001	ESOS-2006	ESOS-2007
1 Number of options outstanding at the beginning of the year (un-granted)	Nil	5,49,893	9,30,350	Nil	9,54,893	7,04,780
2 Number of options granted during the year	Nil	Nil	Nil	Nil	435,000	Nil
3 Number of options forfeited/lapsed during the year	Nil	41,095	28,700	Nil	30,000	2,25,570
4 Number of options vested during the year	Nil	Nil	2,90,516	38,243	115,807	3,05,067
5 Number of options exercised during the year	Nil	Nil	2,90,516	38,243	115,807	3,05,067
6 Number of shares arising as a result of exercise of options	Nil	Nil	2,90,516	38,243	115,807	3,05,067
7 Amount realized by exercise of options (₹)	Nil	Nil	1,73,17,134	1,070,804	32,42,596	1,90,41,862
8 Loan repaid by the Trust during the year from exercise price received	NA	NA	NA	NA	NA	NA
9 Number of options outstanding at the end of the year (out of total number of options approved under ESOS)	Nil	590,988	959,050	Nil	549,893	930,350

Notes to Financial Statements

for the year ended 31 March, 2018

48 Employee Share-Based Payment: (contd..)

SL. No	Description	Year ended 31 March, 2018			Year ended 31 March, 2017		
		ESOS-2001	ESOS-2006	ESOS-2007	ESOS-2001	ESOS-2006	ESOS-2007
10	Number of options exercisable at the end of the year (out of total number of options approved under ESOS)	Nil	393,905	201,087	Nil	435,000	520,303

Stock Options granted on	Weighted average exercise price (in ₹)	Weighted average Fair value (in ₹)	Expected Volatility (%)	Expected Dividend (%)	Life of Options granted (Years)	Risk free interest rate (%)
06.02.2014	45.6	69.5	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	103.4	137.94	0.72%	0.81%	4	8%
Employee wise details of options granted to						
a. Key managerial personnel	Nil	Nil	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	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	Nil	Nil
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.					
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	8.00%			8.00%		
(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%		
The method used and the assumptions made to incorporate the effects of expected early exercise	NA					
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.					
Whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition.	No					

Notes to Financial Statements

for the year ended 31 March, 2018

- 49** Previous GAAP figures have been reclassified/ regrouped to conform to the presentation requirements under IND AS and the requirements laid down in Division-II to the Schedule-III of the Companies Act, 2013
- 50** The financial statement are approved for issue by the Audit Committee at its meeting held on 28 May, 2018 and by the Board of Directors at its meeting held on 29 May, 2018.

The accompanying notes are an integral part of the Financial Statements

As per our report of even date

For and on behalf of the Board of Directors

For Singhi & Co.

Chartered Accountants

ICAI Firm Registration No: 302049E

K L Chugh

Chairman

DIN: 00140124

Mahendra Agarwal

Founder & CEO

DIN: 00179779

N. Srinivasan

Director

DIN: 00004195

Anurag Singhi

Partner

Membership no: 066274

Manoj Gupta

Chief Financial Officer

Amit Pathak

Company Secretary

M No: A19971

Place: Kolkata

Date: 29 May, 2018

Place: New Delhi

Date: 29 May, 2018

A large, faint, light gray graphic in the background consisting of several concentric circular arcs and segments, resembling a stylized globe or a circular architectural element.

CONSOLIDATED FINANCIAL STATEMENTS

Independent Auditor's Report

To The Members of **Gati Limited**

Report on the Consolidated Ind AS Financial Statements

1. We have audited the accompanying consolidated Ind AS financial statements of **Gati Limited** (hereinafter referred to as "the Holding company") and its subsidiaries (the Holding and its subsidiaries together referred to as "the Group") comprising the Consolidated Balance Sheet as at 31 March, 2018, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Cash Flow Statement, the Consolidated Statement of Changes in Equity, for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

Management's Responsibility for the Consolidated Ind AS financial statements

2. The Holding company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and statement of changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the 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 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 Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these consolidated Ind AS Financial Statements based on our audit. In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder:

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS Financial Statements are free from material misstatement.

4. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated Ind AS Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.
5. We believe that the audit evidence obtained by us and other auditors in term of their reports, referred to in paragraph 9 on "Other Matter" is sufficient and appropriate to provide a basis for our qualified audit opinion on the consolidated Ind AS Financial Statements.

Basis of Qualified Opinion

6. Attention is drawn to the following matters:
 - a. Note 60 to the accompanying consolidated Ind AS financial Statements, in one of the subsidiary, Gati Kausar India Limited, obligation towards commitments fees of ₹83.77 millions arising pursuant to the terms of the amended bond subscription Agreement, is provided in the books of account based on Management's assessment of its obligation under the said arrangement. However, in the absence of sufficient appropriate audit evidence in support of the management assessment and pending final outcome of the negotiation with the investors, we are unable to comment upon the adequacy of the provision and its consequential impact on the consolidated financial statement.
 - b. Note 18 to the consolidated Ind AS financial Statements which states that the Holding Company and one of the subsidiary, Gati Kintetsu Express (P) Ltd, has given operational advances to few parties aggregating ₹274.73 millions which is long overdue and the full recoverability of which is doubtful. No impairment allowance for uncertainty in collectability has been recognized against above advances. Based on the information received from the management of the Holding Company regarding the assumptions used in assessing the recoverability of this amount, we were unable to determine the impact on the

consolidated Ind AS Financial Statements, of a potential adjustment for impairment that might have been necessary in order to present the balance at its estimated recoverable value.

Qualified Opinion

7. 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 Ind AS Financial Statements of the subsidiaries referred to below in the Other Matters paragraph, except for the possible effects of the matter described in the Basis of Qualified opinion paragraph the aforesaid consolidated Ind AS Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March, 2018, and their consolidated profit, consolidated total comprehensive income, their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

Emphasis of Matter

8. We draw your attention to the following matters:
 - a) In Note 59 to the accompanying consolidated financial statement regarding managerial remuneration paid to the Executive chairman of one of the subsidiary for the year ended 31 March, 18 and 31 March, 17 which exceeded the limit prescribed under section 197 read with Schedule V of the Companies Act, 2013 by ₹7.79 millions and ₹6.30 millions for respective years. The subsidiary company has filed application to the central Government for the waiver of excess remuneration and pending receipt of the approval, no adjustment to the Consolidated Ind AS financial Statement has been made.
 - b) In Note 35* to the accompanying consolidated financial statements which states that based on the Scheme of arrangement by the Hon'ble Andhra Pradesh High Court by its Order dated 19 March, 2013 the Holding company had created Special Reserve which allows its utilization for adjustment of any capital losses arising from transfer of assets and certain other losses as specified in the Scheme and as the Board of director may deem fit. The Company has adjusted an amount of ₹28.66 million against the said Special Reserve in earlier years, which has been now recovered during the year and adjusted in the statement of profit & loss for the year ended 31 March, 2018.

9. Other Matters

- (i) We did not audit the financial statements / financial information of six subsidiaries whose financial statements / financial information reflect total assets of ₹1216.96 millions and net assets of ₹(-) 179.48 millions as at 31 March, 2018,

total revenue of ₹1173.62 millions, total comprehensive income of ₹(-)235.53 million (comprising loss and other comprehensive income) as considered in the statement. These financial statements / financial information have been audited by other auditors whose reports 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 these subsidiaries, are based solely on the report of other auditors.

- (ii) We did not audit the financial statements / financial information of one foreign subsidiary, whose financial statements / financial information reflect total assets of ₹111.95 millions and net assets ₹37.04 millions as at 31 March, 2018, total revenue of ₹767.42 millions and total comprehensive income of ₹(-) 26.13 millions for the year ended on that date, as considered in the consolidated Ind AS Financial Statements. This financial statements / financial information are audited as per the local law of the respective country and have been converted by the management of the Company into Ind-AS compliant financial statements. Our opinion on the statement in so far as relates to the amounts included in respect of this subsidiary is based solely on such management certified financial statements.

Our opinion on the 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.

10. The Comparative Ind AS financial information of the group for the year ended 31 March, 2017 included in these consolidated Ind AS financial result, are based on the previously issued consolidated financial results prepared in accordance with the recognition and measurement principles of the Accounting Standard Specified under Section 133 of the companies Act, 2013, read with relevant rules issued there under and other accounting principles generally accepted in India ("Previous GAAP") and audited by the predecessor auditor whose report for the corresponding year ended 31 March, 2017 dated 6 May, 2017 expressed an unmodified opinion on those consolidated financial results as adjusted for difference in accounting principles adopted by the Group on transition of Ind AS. Such adjustments and financial information pursuant to adaptation of Ind AS for the above subsidiaries have been audited by the respective auditors which have been relied upon by us while the Ind AS adjustments for the company has been audited by us. Our opinion is not qualified in respect of this matter:

Report on Other Legal and Regulatory Requirements

11. As required by Section 143(3) of the Act, based on our audit and on the consideration of the report of 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/ the other auditors whose report we have relied upon, 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 Ind AS financial statements;
- (b) In our opinion, except for the matter referred to in Basis for Qualified Opinion paragraph above, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and report of other auditors.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS Financial Statements.
- (d) Except for the possible effects of the matter described in the Basis of Qualified Opinion paragraph, in our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (e) The matter described in the Basis for Qualified Opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the Group to the tune of ₹358.50 millions;
- (f) On the basis of the written representations received from the directors of the Holding Company as on 31 March, 2018 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31 March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act;
- (g) The qualification relating to the maintenance of accounts and other matters connected therewith is as stated in the Basis for Qualified Opinion paragraph above;
- (h) With respect to the adequacy of the internal financial controls with respect to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure A', which is based on the auditors' reports of the Holding company and subsidiary companies incorporated in India.
- (i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) 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:
- The consolidated Ind AS Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Group. Refer Note 44(I) (a) and 57 of the consolidated financial statements.
 - The Group did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
 - There has been no delay in transferring amounts required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies incorporated in India; and
- (b) The disclosures in the consolidated Ind AS Financial Statements regarding holdings as well as dealings in specified bank notes during the period from 8th November 2016 to 30th December 2016 have not been made since they do not pertain to the financial year ended 31 March, 2018.

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

(Anurag Singhi)
Partner
Membership No. 066274

Place: Kolkata
Date: 29 May, 2018

Annexure - A to the Independent Auditor's Report

(Referred to in paragraph 11 (h) with 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 31 March, 2018)

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")

1. In conjunction with our audit of the consolidated Ind AS Financial Statements of the Company as of and for the year ended 31 March, 2018, 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

2. The Respective 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 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

3. 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 ICAI 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 obtained by us 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 paragraph 11 below on 'Other Matters', 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

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

5. 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

6. In our opinion, to the best of our information and according to the explanations given to us, the Holding Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March, 2018, 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.

Other Matters

7. Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to seven subsidiaries, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India. Our Opinion is not modified in respect of above matters.

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

Place: Kolkata
Date: 29 May, 2018

(Anurag Singhi)
Partner
Membership No. 066274

Consolidated Balance Sheet

as at 31 March, 2018

	Notes	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
(In ₹ Mn)				
ASSETS				
NON CURRENT ASSETS				
Property, plant and equipment	3	5,643.78	5,587.81	5,265.56
Capital Work in Progress	3	21.34	85.06	199.32
Goodwill	4	4,257.98	4,257.98	4,257.98
Intangible Assets	5	33.76	36.35	35.73
Intangible Assets under Development	6	4.42	4.42	3.32
Investment in Associates	7	-	-	-
Financial Assets				
Investments	8	41.73	42.95	33.13
Loans	9	144.99	129.30	169.34
Deferred tax Assets(Net)	10	26.12	82.44	61.77
Non-Current tax Assets (Net)	11	528.96	604.30	456.84
Other non-current assets	12	156.58	170.50	207.18
		10,859.66	11,001.11	10,690.17
CURRENT ASSETS				
Inventories	13	90.20	66.05	51.46
Financial assets				
Current Investments	14	-	-	342.95
Trade receivables	15	2,431.67	2,143.05	2,442.65
Cash and cash equivalents	16A	191.11	331.26	151.18
Bank Balances other than above	16B	226.65	298.70	302.84
Loans	17	34.70	12.36	8.52
Other financial assets	18	403.07	398.23	758.85
Other current assets	19	326.81	316.47	307.84
Assets held for sale	20	-	1.68	1.01
		3,704.21	3,567.80	4,367.30
		14,563.87	14,568.91	15,057.47
TOTAL ASSETS				
EQUITY AND LIABILITIES				
EQUITY				
Equity Share Capital	21	216.69	176.36	175.45
Other Equity	22	7,068.08	6,212.28	6,402.75
Equity attributable to owners of the company		7,284.77	6,388.64	6,578.20
Non controlling interest	23	1,140.24	1,145.02	1,152.84
Total Equity		8,425.01	7,533.66	7,731.04
LIABILITIES				
NON-CURRENT LIABILITIES				
Financial liabilities				
Borrowings	24	2,160.43	1,813.81	1,549.39
Other financial liabilities	25	58.74	62.71	69.36
Provisions	26	69.17	49.11	38.46
Deferred tax Liabilities (Net)	27	-	0.17	0.10
		2,288.34	1,925.80	1,657.31
CURRENT LIABILITIES				
Financial liabilities				
Borrowings	28	1,050.28	1,364.22	1,371.81
Trade payables	29	1,239.91	761.87	925.77
Other financial liabilities	30	1,217.98	2,820.06	3,152.61
Other current liabilities	31	329.62	152.53	210.31
Current Tax Liabilities	32	0.18	-	-
Provisions	33	12.55	10.77	8.62
		3,850.52	5,109.45	5,669.12
		14,563.87	14,568.91	15,057.47
TOTAL EQUITY AND LIABILITIES				

The accompanying notes are an integral part of the consolidated financial statements

As per our report of even date

For and on behalf of the Board of Directors

For Singhi & Co.
Chartered Accountants
Firm Registration No: 302049E

K L Chugh
Chairman
DIN: 00140124

Mahendra Agarwal
Founder & CEO
DIN: 00179779

N. Srinivasan
Director
DIN: 00004195

Anurag Singhi
Partner
Membership no: 066274

Manoj Gupta
Chief Financial Officer

Amit Pathak
Company Secretary
M No: AI9971

Place: Kolkata
Date: 29 May, 2018

Place: New Delhi
Date: 29 May, 2018

Consolidated Statement of Profit and Loss

for the year ended 31 March, 2018

		(In ₹ Mn)	
	Notes	Year Ended 2017-18	Year Ended 2016-17
I REVENUE			
Revenue from Operations	34	17,357.52	16,909.93
Other Income	35	778.50	103.84
TOTAL INCOME (I)		18,136.02	17,013.77
II EXPENSES			
Operating Expenses	36	10,065.21	9,833.18
Purchase of stock-in-trade		3,072.09	2,659.44
Changes in Inventories of Stock-in-Trade	37	(23.32)	(13.01)
Employee benefits expense	38	1,912.13	1,842.14
Finance Costs	39	469.51	499.74
Depreciation and amortization expense	40	299.96	297.99
Other expenses	41	1,560.44	1,628.85
TOTAL EXPENSES (II)		17,356.02	16,748.33
III PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX (I-II)		780.00	265.44
IV Exceptional Items	42	(236.00)	-
V PROFIT BEFORE TAX (III-IV)		544.00	265.44
VI TAX EXPENSES	43		
Current Tax		97.10	114.43
Deferred Tax		55.83	(20.50)
TOTAL TAX EXPENSES		152.93	93.93
VII PROFIT FOR THE YEAR [V-(V-VI)]		391.07	171.51
VIII OTHER COMPREHENSIVE INCOME (OCI)			
A) Items not to be reclassified to profit or loss in subsequent periods:			
a) Remeasurement gains/(losses) on defined benefit plans		5.28	(3.59)
b) Equity investments through OCI		(1.22)	9.82
c) Income tax effect on above items		(0.34)	0.17
B) Items that will be reclassified to profit or loss subsequent periods:			
a) Exchange difference arising on translation of foreign operations		(102.57)	(4.71)
b) Income tax effect on above items		-	-
OTHER COMPREHENSIVE INCOME FOR THE YEAR (NET OF TAX)		(98.85)	1.69
IX TOTAL COMPREHENSIVE INCOME FOR THE YEAR (VII+VIII)		292.22	173.20
X Profit for the year			
Attributable to:		391.07	171.51
Owners of the company		342.32	107.77
Non-Controlling Interests		48.75	63.74
Total comprehensive income for the year			
Attributable to:		292.22	173.20
Owners of the company		243.56	109.65
Non-Controlling Interests		48.66	63.55
EARNINGS PER SHARE	53		
(NOMINAL VALUE PER SHARE: ₹2/- (PREVIOUS YEAR ₹2/-))			
Basic (In ₹)		3.33	1.22
Diluted (In ₹)		3.33	0.91

The accompanying notes are an integral part of the consolidated financial statements

As per our report of even date

For and on behalf of the Board of Directors

For Singhi & Co.
Chartered Accountants
Firm Registration No: 302049E

K L Chugh
Chairman
DIN: 00140124

Mahendra Agarwal
Founder & CEO
DIN: 00179779

N. Srinivasan
Director
DIN: 00004195

Anurag Singhi
Partner
Membership no: 066274

Manoj Gupta
Chief Financial Officer

Amit Pathak
Company Secretary
M No: A19971

Place: Kolkata
Date: 29 May, 2018

Place: New Delhi
Date: 29 May, 2018

Consolidated Cash Flow Statement

for the year ended 31 March, 2018

Particulars	(In ₹ Mn)	
	Year Ended 31 March, 2018	Year Ended 31 March, 2017
A: Cash Flow From Operating Activities		
Net Profit Before Taxes as per Statement of Profit and Loss	544.00	265.44
Net Profit Before Taxation And Exceptional Items		
Adjustments For :		
Depreciation And Amortisation Expense	299.96	297.99
Loss / Gain on sale of Property, plant & equipment(Net)	(57.88)	(3.90)
Impairment for Investment	0.49	0.79
Net loss arising from investment designated at FVTPL	-	55.00
Employee share based payment expenses	(11.92)	(3.82)
Finance Costs	469.51	499.74
Interest Income	(18.99)	(56.58)
Interest on refund of Income tax	(24.03)	(2.44)
Allowance for bad and doubtful debts	(1.11)	145.66
Bad Debts & Advances written off	421.17	49.51
Provision towards capital expenditure	10.97	-
Provision for Bad Debts no longer required written back	(366.98)	-
Exceptional Expenses	236.00	-
Liability no longer required written back	(639.81)	(0.76)
Operating Profits Before Working Capital Changes	861.38	1,246.63
Changes In Assets And Liabilities		
(Increase)/Decrease In Trade Receivables	(382.20)	99.72
(Increase)/Decrease In Inventories	(24.15)	(14.58)
Decrease /(Increase) in Other current Assets	(5.06)	(12.22)
Decrease / (Increase) in Other Current Financial Assets	(4.84)	153.23
Decrease / (Increase) in Loans	(22.34)	(3.84)
Decrease / (Increase) in Trade Payables	447.39	(163.89)
Increase / (Decrease) in Current Financial Liabilities	183.49	(331.79)
Increase / (Decrease) in Current Liabilities	173.15	(57.78)
Increase / (Decrease) in provisions	21.85	12.80
Cash Generated From Operations	1,248.68	928.28
Income Tax Paid (Net of refunds)	2.27	(259.45)
Net Cash Generated From Operating Activities	1,250.95	668.83
B: Cash Flow From Investing Activities		
Sale proceeds from Property ,plant and equipment	68.98	18.42
Purchase of Property ,Plant and equipment including Capital work in progress	(314.19)	(519.54)
Interest Received	19.28	56.44
(Purchase)/ Sale of Investments	0.73	277.34
Purchase of term deposit	72.05	4.14
Net Cash From Investing Activities	(153.16)	(163.19)

Consolidated Cash Flow Statement

for the year ended 31 March, 2018

Particulars	(In ₹ Mn)	
	Year Ended 31 March, 2018	Year Ended 31 March, 2017
C: Cash Flow From Financing Activities		
Proceeds from issue of equity shares	1.56	34.77
Repayment of Foreign currency convertible bonds	(643.70)	-
Proceeds / (Repayment) of Long term borrowings (Net)	346.62	264.42
Movement in short term borrowings (Net)	(313.97)	(7.60)
(Increase) /Decrease in Loans and Non Current Assets	(1.76)	76.71
(Increase) /Decrease in Non Current Liabilities	(3.96)	(6.65)
Dividend Paid (Including Dividend Tax)	(153.22)	(187.46)
Finance Costs	(469.51)	(499.74)
Net Cash from Financing Activities	(1,237.94)	(325.55)
Net Increase / (Decrease) in cash and cash equivalents (A+B+C)	(140.15)	180.08
Cash And Cash Equivalents In The Beginning of The Year	331.26	151.18
Cash And Cash Equivalents In The End of The Year	191.11	331.26
Components of cash and cash equivalents		
Balance with Banks:		
On Current Accounts	14.40	39.80
Deposits with original maturity of less than three months	172.49	289.74
Cheques on hand		
Cash on hand	4.22	1.72
Cash and Cash Equivalents (Refer Note 16A)	191.11	331.26

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.
- The previous GAAP figures have been reclassified to confirm to Ind AS presentation requirements for the purpose of this note. (Refer note 54E).

3.Amendment to Ind AS 7 :

Change in Liability arising from financing activities

	31 March, 2017	Foreign exchange movement	Cash flow	(In ₹ Mn) 31 March, 2018
Borrowings -Non Current (Refer Note 24)	1,813.81	-	346.62	2,160.43
Borrowings -Current (Refer Note 28)	1,364.22	-	(313.97)	1,050.25
	3,178.03	-	32.65	3,210.68

The accompanying notes are an integral part of the consolidated financial statements

As per our report of even date

For and on behalf of the Board of Directors

For Singhi & Co.

Chartered Accountants
Firm Registration No: 302049E

K L Chugh

Chairman
DIN: 00140124

Mahendra Agarwal

Founder & CEO
DIN: 00179779

N. Srinivasan

Director
DIN: 00004195

Anurag Singhi

Partner
Membership no: 066274

Manoj Gupta

Chief Financial Officer

Amit Pathak

Company Secretary
M No: A19971

Place: Kolkata

Date: 29 May, 2018

Place: New Delhi

Date: 29 May, 2018

Consolidated Statement of Changes in Equity

for the year ended 31 March, 2018

A) Equity Share Capital

	No of Shares	Amount (In ₹ Mn)
Balance as at 1 April, 2016	87,722,937	175.45
Changes in Equity Share Capital during the year	459,117	0.91
Balance as at 31 March, 2017	88,182,054	176.36
Changes in Equity Share Capital during the year	20,164,741	40.33
Balance as at 31 March, 2018	108,346,795	216.69

B) Other Equity

Particulars	Equity Component of Compound Financial Instruments	Securities Premium Account	General Reserve	Capital Reserve	Reserves and Surplus Reserves and Surplus Reserve (utilised)	Share Option Outstanding account	Special Reserve	Retained Earnings	Item not to be reclassified to profit or loss	Other Comprehensive Income Item that will be reclassified to profit or loss	Equity attributable to owners of the company	Non controlling Interest	Total Equity
Balance as at 1 April, 2016	63.16	1,654.96	1,037.77	208.39	92.91	38.30	1,694.44	1,594.49	18.33	-	6,402.75	1,152.84	7,555.59
Profit for the year	-	-	-	-	-	-	-	107.77	-	-	107.77	63.74	171.51
Adjustments during the year *	-	-	-	-	-	(3.82)	(207.40)	(6.69)	-	-	(217.91)	-	(217.91)
Adjustments to Securities Premium	-	33.85	-	-	-	-	-	-	-	-	33.85	-	33.85
Final Dividend on Equity Shares	-	-	-	-	-	-	-	(87.72)	-	-	(87.72)	(59.40)	(147.12)
Tax on Dividend	-	-	-	-	-	-	-	(28.22)	-	-	(28.22)	(12.09)	(40.31)
Other Comprehensive income	-	-	-	-	-	-	-	-	6.47	(4.71)	1.76	(0.07)	1.69
Balance as at 31 March, 2017	63.16	1,688.81	1,037.77	208.39	92.91	34.48	1,487.04	1,579.63	24.80	(4.71)	6,212.28	1,145.02	7,357.30
Profit for the year	(63.16)	-	-	-	-	(11.92)	-	342.32	-	-	342.32	48.75	391.07
Adjustments during the year *	-	-	-	-	-	-	-	60.50	-	-	(14.58)	-	(14.58)
Adjustments to Securities Premium	-	726.60	-	-	-	-	-	-	-	-	726.60	-	726.60
Final Dividend on Equity Shares	-	-	-	-	-	-	-	(78.70)	-	-	(78.70)	(44.40)	(123.10)
Tax on Dividend	-	-	-	-	-	-	-	(21.09)	-	-	(21.09)	(9.04)	(30.13)
Other Comprehensive income	-	-	-	-	-	-	-	-	3.82	(102.57)	(98.75)	(0.09)	(98.84)
Balance as at 31 March, 2018	-	2,415.41	1,037.77	208.39	92.91	22.56	1,487.04	1,882.66	28.62	(107.28)	7,068.08	1,140.24	8,208.32

* Adjustment related to Foreign currency convertible bonds (FCCBs) and Corporate guarantee obligation

The accompanying notes are an integral part of the consolidated financial statements

As per our report of even date

For Singhi & Co.
Chartered Accountants
Firm Registration No: 302049E

Anurag Singhi
Partner
Membership no: 066274
Place: Kolkata
Date: 29 May, 2018

For and on behalf of the Board of Directors

Mahendra Agarwal
Founder & CEO
DIN: 00179779

N. Srinivasan
Director
DIN: 00004195

Amit Pathak
Company Secretary
M No: A19971

Place: New Delhi
Date: 29 May, 2018

Notes to Consolidated Financial Statements

for the year ended 31 March, 2018

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 31 March, 2018. The Company is a public limited company incorporated in 1995 under provisions of 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). The company has presence across the nation.

2) Basis of Preparation of financial statements

2.1 Statement of Compliance

These 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.

The financial statements upto the year ended 31 March, 2017 were prepared in accordance with the earlier Generally Accepted Accounting Principles (GAAP) in India, which includes the accounting standards prescribed under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014, to the extent applicable and the presentation requirements of the Companies Act, 2013.

The financial statements for the year ended 31 March, 2018 are the first Ind AS financial statements with comparatives prepared under Ind AS.

Accordingly, the transition to Ind AS has been carried out in accordance with Ind AS 101 - 'First time adoption' of Indian Accounting Standards with date of transition being 1 April, 2016. An explanation of how the transition to Ind AS has affected the Company's equity and its net profit is provided in Note 54F. Some of the Company's Ind-AS accounting policies used in the opening Balance Sheet differ from earlier Indian GAAP policies applied as at 31 March, 2016 and accordingly the adjustments were made to restate the opening balances as at 1 April, 2016 in accordance with Ind-AS.

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 off to the nearest two decimal of millions, unless otherwise stated.

2.4 Use of Estimates and Judgements

The preparation of the Company's 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 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
- (vii) Impairment of Goodwill
- (viii) Revaluation of Land

Notes to Consolidated Financial Statements

for the year ended 31 March, 2018

2.5 Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 March, 2018. 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)
- 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 subsidiary's 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 31 March, 2018. 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 fixed assets, are eliminated in full). Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.
- (d) 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 recognized in the "Foreign Currency Translation Reserve".

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.

Notes to Consolidated Financial Statements

for the year ended 31 March, 2018

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 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.

2.6 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.

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 - Standard issued but not yet effective

a. Ind AS 115-Revenue from Contracts with Customers-

The Ministry of Corporate Affairs (MCA) on 28 March, 2018 has notified new Indian Accounting Standard as mentioned above. The new standard will come into force from accounting period commencing on or after 1 April, 2018. It replaces existing recognition guidance, including Ind AS 18 Revenue and Ind AS 11 Construction contract. The standard is likely to affect the measurement, recognition and disclosure of revenue. The Company has evaluated and there is no material impact of this amendment on the Financial Statement of the Company except disclosure. The Company will adopt the Ind AS 115 on the required effective date.

b. Amendments to other Ind AS

The Companies (Indian Accounting Standards) Amendment Rules, 2018 has also made amendments to:

Ind AS 12 - Income Taxes,

Ind AS 28 - Investment in Associates and Joint Ventures,

Ind AS 40 - Investment Property.

These rules come into force from 1 April, 2018. The Company has evaluated these amendments and as per assessment impact of amendment to Ind AS 12, amendment to Ind AS 40 and Ind AS 28 will not have any material impact on the financial statement of the company. The Company will adopt above amendments from required effective date.

Notes to Consolidated Financial Statements

for the year ended 31 March, 2018

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 work-in-progress is stated at cost which includes expenses incurred during construction period, interest on amount borrowed for acquisition of qualifying assets and other expenses incurred in connection with project implementation in so far as such expenses relate to the period prior to the commencement of commercial production. 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.

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 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.
- 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).

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.

2.9. Intangible Assets:

Intangible assets are stated at acquisition cost net of accumulated amortization or cumulative impairment, if any. The Company capitalizes identifiable costs relating to development of internally generated software and these are stated net of accumulated amortization.

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. Lease:

a) Finance Lease:

Lease where the company has substantially transferred all the risks and rewards of ownership of the related assets are classified as finance leases. Assets under finance leases are capitalized at lower of fair value or the present value of the minimum lease payments at

Notes to Consolidated Financial Statements

for the year ended 31 March, 2018

the inception of the lease term and a liability is created for an equivalent period. Lease payments under such leases are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. The finance cost is charged to the statement of profit and loss.

b) Operating Lease:

The Lease which is not classified as finance lease is operating leases. Payments made under operating lease are charged to Statement of Profit and Loss on straight-line-basis over the period of the lease, except where scheduled increase in rent compensates the Company with expected inflationary costs.

2.11. Impairment of assets:

- 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.
- Assets that are subject to depreciation and amortization 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.
- 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 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.

2.13. 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.

2.14. Revenue Recognition:

Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable excluding taxes or duties collected on behalf of the government and reduced by any rebates and trade discount allowed.

The specific recognition criteria described below must also be met before income is recognised.

- i. Income is recognised on accrual basis and provision is made for all known losses and liabilities.

Notes to Consolidated Financial Statements

for the year ended 31 March, 2018

- ii. Service charges for transportation of shipments are recognised when shipments are delivered to the customers/nearest destination operating unit/nearest transshipment points.
- iii. Revenue from sale of products is recognized when the Company transfers all significant risks and rewards of ownership to the buyer; while the Company retains neither continuing managerial involvement nor effective control over the products sold.
- iv. Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.
- v. Dividend income is recognised when the right to receive the dividend is established.
- vi. Rent income is recognised on a straight-line basis over the period of the lease.

2.15. 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 assets are not reclassified subsequent to their initial recognition, except if and in the period the company changes its business model for managing financial assets. 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.

I. Financial assets at amortized cost:

A financial asset is measured at amortized 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) amortization 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 Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (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 FVOCI 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 Company may

Notes to Consolidated Financial Statements

for the year ended 31 March, 2018

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.

b) Subsequent measurement

For purposes of subsequent measurement:

Category	Subsequent measurement and gains and Losses
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.
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.

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 amortization 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 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 amortization.

iii) Impairment of Financial Assets:

In accordance with Ind AS 109, the Company applies the expected credit loss ("ECL") model for measurement and recognition of impairment loss on financial assets and credit risk exposures.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. Simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECL at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines

Notes to Consolidated Financial Statements

for the year ended 31 March, 2018

whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12-month ECL.

ECL impairment loss allowance (or reversal) recognised during the period is recorded as expense/income in the Statement of Profit and Loss.

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:

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.

2.16. 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 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.

2.17. 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

Notes to Consolidated Financial Statements

for the year ended 31 March, 2018

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. 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.

2.18. 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 realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of Deferred tax liabilities and assets are reviewed at the end of each reporting period.

2.19. 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.

2.20. 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.

2.21. 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.

2.22. Segment information:

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

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 "Employee Stock Options 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 "Employee Stock Options Account" are transferred to the "General Reserve". When the options are exercised, the Company issues new equity shares of the Company of ₹2/-each fully paid-up. The proceeds received and the related balance standing to credit of the Employee Stock Options Account, are credited to share capital (Face value) and Securities Premium Account.

2.24. Earnings per share:

(i) Basic earnings per share

Basic earnings per share are calculated by dividing the net profit or loss before OCI 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 Consolidated Financial Statements

for the year ended 31 March, 2018

3. Property, Plant and Equipment

	Cost				Depreciation				Net Carrying Value	
	As at 1 April, 2017	Additions	Deductions/ Adjustment	As at 31 March, 2018	As at 1 April, 2017	For the year	Deductions/ Adjustment	As at 31 March, 2018	As at 31 March, 2018	As at 31 March, 2017
Freehold	3,432.62	12.40	12.51	3,432.51	-	-	-	-	3,432.51	3,432.62
Leasehold	18.02	16.01	-	34.03	-	0.90	-	0.90	33.13	18.02
Buildings	1,054.19	73.22	1.19	1,126.22	72.96	26.95	0.04	99.87	1,026.35	981.23
Vehicles	395.13	22.34	16.21	401.26	228.19	40.16	6.18	262.17	139.09	166.94
Plant & Machinery	945.15	149.82	22.90	1,072.07	410.46	88.17	15.02	483.61	588.46	534.69
Computers	423.53	16.17	16.20	423.50	276.20	65.08	8.53	332.75	90.75	147.33
Furniture & Fittings	388.77	28.08	0.03	416.82	155.90	36.04	0.00	191.94	224.88	232.87
Office Equipments	217.26	21.94	0.04	239.16	143.15	23.92	0.02	167.05	72.11	74.11
Assets taken in Finance										
Lease	-	15.91	-	15.91	-	0.43	-	0.43	15.48	-
Vehicles	-	22.03	-	22.03	-	1.01	-	1.01	21.02	-
Total	6,874.67	377.92	69.08	7,183.51	1,286.86	282.66	29.79	1,539.73	5,643.78	5,587.81

	Cost				Depreciation				Net Carrying Value	
	As at 1 April, 2016	Additions	Deductions/ Adjustment	As at 31 March, 2017	As at 1 April, 2016	For the year	Deductions/ Adjustment	As at 31 March, 2017	As at 31 March, 2016	As at 31 March, 2016
Freehold	3,398.66	33.96	-	3,432.62	-	-	-	-	3,432.62	-
Leasehold	-	18.02	-	18.02	-	-	-	-	-	18.02
Buildings	849.18	205.01	-	1,054.19	53.90	19.06	-	72.96	981.23	-
Vehicles	390.26	21.85	16.98	395.13	186.69	44.30	2.80	228.19	166.94	-
Plant & Machinery	777.93	173.21	5.99	945.15	328.92	84.14	2.60	410.46	534.69	-
Computers	360.35	64.21	1.03	423.53	191.88	84.66	0.34	276.20	147.33	-
Furniture & Fittings	318.53	73.40	3.16	388.77	121.67	34.33	0.10	155.90	232.87	-
Office Equipments	175.50	44.14	2.38	217.26	121.79	21.53	0.17	143.15	74.11	-
Total	6,270.41	633.80	29.54	6,874.67	1,004.85	288.02	6.01	1,286.86	5,587.81	-

Capital Work in Progress	As at		As at	
	31 March, 2018	21.34	31 March, 2017	85.06
		21.34		199.32
		21.34		199.32

Notes to Consolidated Financial Statements

for the year ended 31 March, 2018

4. Goodwill

	(In ₹ Mn)		
	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Goodwill	4,468.78	4,468.78	4,468.78
Less : Impairment on goodwill	(210.80)	(210.80)	(210.80)
	4,257.98	4,257.98	4,257.98

Notes :

- The amount of Contractual commitments for acquisition of property, plant and equipment is disclosed in Note.44(II)
- Refer Note 24 and Note 28 for information on Property, Plant and Equipments pledged as securities by the Group.
- Refer to Note 54A (i) for exemptions / options availed for deriving deemed cost on Transition date.
- As on the date of transition the Group has been adopted fair valuation of free hold land in order to bring its value to the current replacement cost as deemed cost. The total fair valuation carried out by the independent approved valuer's amounting to ₹3,398.66 Mn against the book value ₹920.61 Mn has been accounted at the transition date, 1.4.2016 and the incremental value ₹2,478.05 Mn generated there from has been included in Retained Earnings contained in Note 54F. Deferred tax liability on the incremental amount has not been considered since the aforesaid land is not ment for resale.

5. Intangible Assets

Particulars	Cost				Amortisation		Net Carrying Value	
	As at 1 April, 2017	Additions	Deductions/ Adjustment	As at 31 March, 2018	As at 1 April, 2017	For the year	As at 31 March, 2018	As at 31 March, 2018
Computer Software	83.94	13.71	-	97.65	47.59	16.30	63.89	33.76
Total	83.94	13.71	-	97.65	47.59	16.30	63.89	33.76

Particulars	Cost				Amortisation		Net Carrying Value	
	As at 1 April, 2016	Additions	Deductions/ Adjustment	As at 31 March, 2017	As at 1 April, 2016	For the year	As at 31 March, 2017	As at 31 March, 2017
Computer Software	74.44	9.50	-	83.94	38.71	8.88	47.59	36.35
Total	74.44	9.50	-	83.94	38.71	8.88	47.59	36.35

Notes to Consolidated Financial Statements

for the year ended 31 March, 2018

6. Intangible Assets under Development

	(In ₹ Mn)		
	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
	4.42	4.42	3.32
	4.42	4.42	3.32

7. Investment in Associates

	(In ₹ Mn)					
	As at 31 March, 2018		As at 31 March, 2017		As at 1 April, 2016	
	Number / Units	Amount	Number / Units	Amount	Number / Units	Amount
A) Investment in Equity Shares of Associate						
Shares of Gati Ship Ltd. of ₹10/- each (Refer note no.56)	48,00,000	862.30	48,00,000	862.30	48,00,000	862.30
Less: Impairment Allowance		(862.30)		(862.30)		(862.30)
Total		-		-		-
Aggregate amount of Unquoted Investments and Impairment Allowance of investments are given as below:						
Aggregate carrying cost of Unquoted Investments (Net of Impairment)		-		-		-
Aggregate Impairment Allowance		862.30		862.30		862.30

8. Investments

	(In ₹ Mn)					
	As at 31 March, 2018		As at 31 March, 2017		As at 1 April, 2016	
	Number / Units	Amount	Number / Units	Amount	Number / Units	Amount
I. Equity Instrument (Quoted)						
A) Investments at Fair Value through Other Comprehensive Income						
TCI Finance Ltd. of ₹10/- each	16,00,300	39.05	16,00,300	39.77	16,00,300	31.05
State Bank of India of ₹1/- each	10,000	2.50	10,000	3.00	10,000	1.90
Total (A)		41.55		42.77		32.95
B) Investment carried at Fair Value through Profit and Loss						
Investments in Equity Instruments (Unquoted)						
Amrit Jal Ventures Private Ltd. of ₹10/- each*	1,87,50,000	-	1,87,50,000	-	1,87,50,000	-
Brown Tape Technology Pvt Ltd of ₹10 /- each	14,451	-	14,451	-	-	-
ITAG Infrastructure Ltd. of ₹10/- each	18,000	0.18	18,000	0.18	18,000	0.18

Notes to Consolidated Financial Statements

for the year ended 31 March, 2018

8. Investments (contd..)

		(In ₹ Mn)			
	As at 31 March, 2018		As at 31 March, 2017		As at 1 April, 2016
	Number / Units	Amount	Number / Units	Amount	Number / Units Amount
Total (1)=(A+B)		41.73		42.95	33.13
2. Investments in Preference shares:					
0.001% Compulsory convertible cumulative preference share of Brown Tape Technology Pvt Ltd. of ₹ 20/- each	4,256	-	4,256	-	-
3. Investments in Optionally Convertible Debentures (OCD):					
14.5% Unsecured OCD of Amrit Jal Ventures Pvt Ltd. of ₹ 100 /- each	34,57,236	-	34,57,236	-	34,57,236 -
14.5% Unsecured OCD of Gati Infrastructure Sada-Mangder Power Private Limited of ₹ 100/- each	9,93,354	-	9,93,354	-	9,93,354 -
Total (3)		-		-	-
Grand Total (1+2+3)		41.73		42.95	33.13

Aggregate amount of Quoted and Unquoted Investments,

Market value of Quoted

Investments are given as below:

Aggregate Market Value of Quoted Investments	41.55	42.77	32.95
Aggregate carrying cost of Quoted Investments	14.40	14.40	14.40
Aggregate carrying cost of Unquoted Investments	0.18	0.18	0.18

*These shares are invoked by the institution and held in institution's name. The matter is under litigation in a court of law and the company has been legally advised that the beneficial interest in such shares continues with the company.

9. Loans

		(In ₹ Mn)		
		As at	As at	As at
		31 March, 2018	31 March, 2017	1 April, 2016
Unsecured, Considered Good				
Security Deposits		2.69	5.78	4.62
Advances and Deposit with others		142.30	123.52	164.72
Total		144.99	129.30	169.34

10. Deferred tax Assets(Net)

		(In ₹ Mn)		
		As at	As at	As at
		31 March, 2018	31 March, 2017	1 April, 2016
MAT Credit entitlement		18.30	0.61	0.61
Deferred Tax Asset (Net)		7.82	81.83	61.16
Total		26.12	82.44	61.77

Notes to Consolidated Financial Statements

for the year ended 31 March, 2018

10. Deferred tax Assets(Net) (contd..)

10.1. Movement in Deferred Tax Assets and Liabilities during the year ended 31 March, 2017 and 31 March, 2018

				(In ₹ Mn)
Deferred Tax Balance in relation to	Opening Balance as on 1 April, 2016	Recognised In Statement of Profit & Loss	Recognised In Other Comprehensive Income(OCI)	As at 31 March, 2017
Deferred Tax Assets/(Liabilities)				
Property, plant and equipment	(68.67)	(5.92)	-	(74.59)
Allowances for Doubtful Receivables	119.08	23.91	-	142.99
Employee benefits - Gratuity and Leave Encashment	14.72	4.26	0.17	19.15
Other temporary Differences	(3.97)	(1.75)	-	(5.72)
MAT Credit Entitlement (Net)	0.61	-	-	0.61
Deferred Tax Assets/(Liabilities)	61.77	20.50	0.17	82.44

				(In ₹ Mn)
Deferred Tax Balance in relation to	Opening Balance as on 31 March, 2017	Recognised In Statement of Profit & Loss	Recognised In Other Comprehensive Income(OCI)	As at 31 March, 2018
Deferred Tax Assets/(Liabilities)				
Property, plant and equipment	(74.59)	2.14	-	(72.45)
Allowances for Doubtful Receivables	142.99	(84.32)	-	58.67
Employee benefits - Gratuity and Leave Encashment	19.15	7.23	(0.34)	26.04
Other temporary Differences	(5.72)	1.44	-	(4.28)
MAT Credit Entitlement (Net)	0.61	17.68	-	18.29
Deferred Tax liabilities adjustment	-	-	-	(0.15)
Deferred Tax Assets/(Liabilities)	82.44	(55.83)	(0.34)	26.12

11. Non-Current Tax Assets

				(In ₹ Mn)
	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016	
Tax Deducted at Source	1,310.56	1,153.06	915.95	
Advance Tax	135.61	250.76	225.02	
Provision for Income Tax	(917.21)	(799.52)	(684.13)	
Total	528.96	604.30	456.84	

12. Other Non current assets

				(In ₹ Mn)
	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016	
Capital Advance				
Unsecured, considered good	15.49	31.07	64.34	
Unsecured, considered doubtful	5.90	5.90	5.90	
	21.39	36.97	70.24	
Less: Allowance for doubtful advances	(5.90)	(5.90)	(5.90)	
	15.49	31.07	64.34	

Notes to Consolidated Financial Statements

for the year ended 31 March, 2018

12. Other Non current assets (contd..)

	(In ₹ Mn)		
	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Deferred employee stock option compensation	6.34	14.34	12.16
Advance Lease Rentals	97.86	98.97	100.07
Earnest Money Deposit	15.64	7.99	3.96
Prepaid Expenses	20.79	17.71	26.32
Pre-Operative Expenses	0.46	0.42	0.33
Total	156.58	170.50	207.18

13. Inventories

	(In ₹ Mn)		
	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
(At Lower of the cost or Net realisable value)			
Stock-in-Trade	21.29	14.72	13.09
Stores and spares	68.91	51.33	38.37
Total	90.20	66.05	51.46

14. Current Investments

	(In ₹ Mn)					
	As at 31 March, 2018		As at 31 March, 2017		As at 1 April, 2016	
	Number / Units	Amount	Number / Units	Amount	Number / Units	Amount
Investment measured at Fair Value through Profit & Loss						
Investment in Mutual Funds	-	-	-	-	24,51,562	342.95
Total	-	-	-	-	24,51,562	342.95
Aggregate Market Value of Quoted Investments	-	-	-	-	-	-
Aggregate carrying cost of Un Quoted Investments	-	-	-	-	-	342.95

15. Trade Receivables

	(In ₹ Mn)		
	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Unsecured, Considered Good	2,431.67	2,143.05	2,442.65
Doubtful	302.56	678.65	649.68
	2,734.23	2,821.70	3,092.33
Less: Allowance for doubtful receivables	302.56	678.65	649.68
Total	2,431.67	2,143.05	2,442.65

No trade or other receivables are due from directors or other officers of the group either severally or jointly with any other person. Further no trade or other receivables are due from firms or private companies respectively in which any director is a partner; or director or member.

Notes to Consolidated Financial Statements

for the year ended 31 March, 2018

16A. Cash and Cash Equivalents

	(In ₹ Mn)		
	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Cash in hand	14.40	39.80	63.15
Balances with Banks:			
In Current Accounts *	172.49	289.74	88.03
Deposits with original maturity of less than three months	4.22	1.72	-
Total	191.11	331.26	151.18

* Bank balances in current account include collections held on behalf of customers. (Refer Note no 30)

16B. Bank Balances other than above

	(In ₹ Mn)		
	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Deposits with original maturity of more than three months and less than twelve months	210.25	194.04	174.54
Balances with Bank held as margin money/ security	8.68	98.01	123.25
Unclaimed Dividend account	7.72	6.65	5.05
Total	226.65	298.70	302.84

17 Loans

	(In ₹ Mn)		
	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Unsecured, Considered Good			
Loans to Others	34.70	12.36	8.52
Total	34.70	12.36	8.52

18. Other Financial Assets

	(In ₹ Mn)		
	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
(Unsecured, Considered Good unless Otherwise Stated)			
Accrued Interest on Deposits, Loan and investments	220.46	227.03	208.71
Less: Allowance for doubtful receivable	(215.71)	(221.43)	(157.63)
	4.75	5.60	51.08
Security Deposits	4.43	9.48	18.69
Earnest Money Deposits	3.35	5.38	5.83
Advance to Employees	3.33	5.89	5.60
Other receivable * (Refer note 57)	387.21	371.88	677.65
Total	403.07	398.23	758.85

*Includes ₹274.73 Mn (Mar'17- ₹280.78 Mn, Mar'16- ₹283.03 Mn) to two parties are under legal process of recovery and taking to consideration of financial potential of the major borrower and negotiations under way in respect of the other borrower. The management is hopeful of recovering the outstanding amount over a period of time and provision not presently required.

Notes to Consolidated Financial Statements

for the year ended 31 March, 2018

19. Other Current Assets

	(In ₹ Mn)		
	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
(Unsecured, Considered good unless otherwise stated)			
Operational Advances	237.87	232.42	223.01
Less: Provision for doubtful advances	(4.59)	(3.99)	(3.39)
	233.28	228.43	219.62
Prepaid Expenses	62.95	64.18	70.63
Balances with Government Authorities	19.33	22.06	13.25
Prepaid Lease Rentals	1.10	1.10	1.10
Others	10.15	0.70	3.24
Total	326.81	316.47	307.84

20. Assets held for sale

	(In ₹ Mn)		
	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Vehicles	-	1.68	1.01
Total	-	1.68	1.01

21. Equity Share Capital

	(In ₹ Mn)					
	As at 31 March, 2018		As at 31 March, 2017		As at 1 April, 2016	
	Number	Amount	Number	Amount	Number	Amount
Authorized:						
Equity Shares of ₹ 2/- each	12,50,00,000	250.00	12,50,00,000	250.00	12,50,00,000	250.00
Redeemable Preference Shares ₹100/-each	500,000	50.00	500,000	50.00	500,000	50.00
	300.00		300.00		300.00	
Issued:						
Equity Shares of ₹ 2/- each fully paid up	10,83,46,795	216.69	8,81,82,054	176.36	8,77,22,937	175.45
	216.69		176.36		175.45	
Subscribed and Paid-up:						
Equity Shares of ₹ 2/- each fully paid up	10,83,46,795	216.69	8,81,82,054	176.36	8,77,22,937	175.45
	216.69		176.36		175.45	

a) Terms /Rights attached to Shareholders

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.

Notes to Consolidated Financial Statements

for the year ended 31 March, 2018

21. Equity Share Capital (contd..)

b) Reconciliation of equity shares outstanding at the beginning and at the end of the year:

Equity Shares of ₹2 each fully paid	As at 31 March, 2018		As at 31 March, 2017		As at 1 April, 2016	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
Shares at the beginning of the year	8,81,82,054	176.36	8,77,22,937	175.45	8,74,77,537	174.96
Shares issued on exercise of Employee Stock Option Scheme	2,90,516	0.58	4,59,117	0.91	2,45,400	0.49
Conversion of Foreign currency convertible bond	1,98,74,225	39.75	-	-	-	-
Shares at the end of the year	10,83,46,795	216.69	8,81,82,054	176.36	8,77,22,937	175.45

(In ₹ Mn)

c) Details of shareholders holding more than 5% of the aggregate shares in the Company:

Name of Share holder	As at 31 March, 2018		As at 31 March, 2017		As at 1 April, 2016	
	No. of Shares	% Holding	No. of Shares	% Holding	No. of Shares	% Holding
Equity Shares of ₹ 2 each fully paid held by						
Bay Capital India Fixed Income Fund Ltd.,	98,74,726	9.11	-	-	-	-
Goldman Sachs International	90,97,605	8.40	-	-	-	-
Neera And Children Trust	55,99,995	5.17	55,99,995	6.35	55,99,995	6.38
TCI Finance Ltd.	-	-	55,23,205	6.26	81,03,205	9.24
New Horizon Opportunities Master Fund	-	-	50,00,000	5.67	-	-
Macquarie Bank limited	-	-	-	-	50,00,000	5.70
Total	2,45,72,326	22.68	1,61,23,200	18.28	1,87,03,200	21.32

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) 5,94,992 options (Equity Shares of ₹ 2 each) are reserved under employee stock option scheme as on 31 March, 2018 (Previous year 9,55,303 and 12,34,990 as on 31 March, 2017 and 31 March, 2016 respectively) out of this 3,07,992 options, 1,64,000 options and 1,23,000 options will vest/allotment in the year 2018-19, 2019-20 & 2020-21 respectively.

Equity Shares of ₹ 2 each fully paid	As at 31 March, 2018		As at 31 March, 2017		As at 1 April, 2016	
	No. of Equity Shares to be issued as fully paid up	Amount	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	5,94,992	1.19	9,55,303	1.91	12,34,990	2.47
Zero coupon unsecured Foreign currency convertible bonds	-	-	3,00,83,941	60.17	3,00,83,941	60.17
Total	5,94,992	1.19	3,10,39,244	62.08	3,13,18,931	62.64

(In ₹ Mn)

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 31 March, 2018

22. Other Equity

	(In ₹ Mn)		
	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
a) Equity component of Foreign Currency convertible bonds (Refer Note: 58)	-	63.16	63.16
b) Securities Premium Account	2,415.40	1,688.81	1,654.96
c) General Reserve	1,037.77	1,037.77	1,037.77
d) Capital Reserve	208.39	208.39	208.39
e) Tonnage Tax Reserve (Utilized)	92.91	92.91	92.91
f) Share Option Outstanding account	22.56	34.48	38.30
g) Special Reserve	1,487.04	1,487.04	1,694.44
h) Retained Earning	1,882.67	1,579.63	1,594.49
i) Other Comprehensive Income	(78.66)	20.09	18.33
Total Other Equity	7,068.08	6,212.28	6,402.75

A The Description, Nature and Purpose of each reserve within equity are as follows:

- Equity part of FCCB -Compound Instruments:** As per IND AS- 32, Foreign currency convertible bonds (FCCB's) are treated as a compound Financial instrument, which requires segregation of liability and equity component. Therefore, the reserve has been created for equity component which is being utilised at the time of redemption/ conversion and transferred to the free reserves of Other Equity.
- Securities Premium Reserve:** Securities premium account is used to record the premium on issue of equity shares. The same is utilised in accordance with the provisions of The Companies Act, 2013.
- Tonnage Tax Reserve (Utilised):** The Reserve was a statutory reserve which was created and 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.
- 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.
- 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 reserve upon exercise of stock options by employees.
- Special Reserve:** The Hon'ble Andhra Pradesh High Court, approved the Scheme of Arrangement for amalgamation. (The Scheme) vide its order dated 19 March, 2013 which inter alia, 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 ₹ 5555.4 Mn 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.
- Retained Earnings:** Retained earnings comprise of net accumulated profit/(loss) of the group, after declaration of dividend.
- Other Comprehensive Income**
 - 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 there from to retained earnings when the relevant equity securities are derecognised.
 - Remeasurement of Defined benefit plan :** It comprises of Actuarial losses /(gains) during the reporting period.
 - 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 31 March, 2018

23. Non controlling interest

	(In ₹ Mn)		
	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Non controlling interest	1,145.02	1,152.84	1,152.84
Add: Profit for the year attributable to Non-controlling interest	48.75	63.74	-
Add: Other comprehensive income for the year	(0.09)	(0.07)	-
Less: Dividend paid to non controlling interest	(53.44)	(71.49)	-
Total	1,140.24	1,145.02	1,152.84

24. Borrowings

	(In ₹ Mn)					
	As at 31 March, 2018		As at 31 March, 2017		As at 1 April, 2016	
	Non- Current	Current Maturities	Non- Current	Current Maturities	Non- Current	Current Maturities
Secured						
Non-convertible debentures ("NCD"),						
Secured	713.68	-	661.44	-	615.29	-
Term Loan From Banks	994.09	358.68	857.26	266.05	643.58	569.14
Term Loan From Financial Institutions	197.87	50.52	121.07	63.83	0.33	-
Finance lease Obligation	49.52	6.28	18.02	-	-	-
	1,955.16	415.48	1,657.79	329.88	1,259.20	569.14
Unsecured -						
- Fixed deposits (From Public)	105.27	31.18	56.02	158.09	190.19	161.32
- Foreign Currency Convertible Bonds (Liability Component)	-	-	-	1,910.49	-	1,863.05
2% Compulsorily Convertible Cumulative Preference Shares	100.00	-	100.00	-	100.00	-
Other Current Financial Liabilities (Refer Note.30)	-	(446.66)	-	(2,398.46)	-	(2,593.51)
	205.27	(415.48)	156.02	(329.88)	290.19	(569.14)
Total	2,160.43	-	1,813.81	-	1,549.39	-

Details of non-convertible debentures

The Group has issued 590 (31 March, 2017: 590, 1 April, 2016: 590) secured, rated, redeemable, transferable, non-convertible debentures (NCD) of face value of ₹10,00,000 each fully paid up to Mandala Agribusiness Investments II Ltd. The Company has allotted 350 NCD on 29 February, 2016; 180 NCD on 1 January, 2015 and 60 NCD on 9 October, 2014.

The NCDs are secured by way of first charge on all the assets of the Company other than exempted assets (as defined in the Bond Subscription Agreement) and second charge on the exempted assets. Further, Gati Limited has pledged 25,62,826 equity shares of ₹10 each held in the Company.

The NCDs carry coupon rate of 5.65% (31 March, 2017: 5.65%) per annum payable on quarterly basis. The 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 Company 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 Company has an option to redeem the NCDs at any time after expiry of one year from the date of issue.

Notes to Consolidated Financial Statements

for the year ended 31 March, 2018

24. Borrowings (contd..)

Term loans

					(In ₹ Mn)
Bank Name	No of Instalments pending	Instalment Amount	Starting Date	Outstanding Amount ₹	Nature of Security / Pledge
State Bank of India	16	10.00	30-Sep-18	160.00	Note (A)
The Kaurur Vysya Bank Limited	5	18.75	30-Sep-15	93.75	Note (B)
Syndicate Bank Limited- Loan I	15	18.75	31-Mar-18	281.25	Note (C)
Hero Fincorp Limited	51	4.44	8-Jul-17	235.57	Note (D)
Kotak Mahindra Bank Ltd - Loan I	57	1.67	5-Jan-18	96.09	Note (E)
Kotak Mahindra Bank Ltd - Loan II	57	3.51	25-Apr-18	200.00	
South Indian Bank Limited	74	1.82	31-Mar-16	156.08	Note (F)
Syndicate Bank-Loan II	15	14.38	1-Apr-18	215.17	Note (G)
Vehicle Loan	52	0.14	1-Aug-13	169.42	Note (H)
Unwinding interest on term loan				(6.16)	

Compulsorily Convertible Cumulative Preference Shares ("CCCPS")

The group has allotted 9,32,237 CCCPS of ₹10 each fully paid-up at a premium of ₹97.27 per share. The CCCPS carry dividend of 2% per annum. Holders of CCCPS can opt to convert its shares into equity shares at a price determined using a pre-determined formula specified in the Share Subscription and Shareholder's Agreement. All CCCPS shall convert into equity shares on the earlier of the 60 (sixty) days from the finalization of the results of the quarter ended 30 June, 2018 or any other date chosen by the Investor.

Notes	Nature of Security/Pledge
A)	First pari-Passu charge along with other working capital lenders on the entire current assets of the Company and property situated at 1) Verna Industrial Estate Salcete, Goa. 2) Pimplas village, Bhiwandi, Thane District, Mumbai. 3) Lonard Village, Bhiwandi, Thane District, Mumbai.
B)	First charge by way of equitable mortgage of properties at: 1) Immovable property situated in Mihan, Nagpur. 2) Land and structure built at Tumkur Road Madhavara post, Bangalore 3) Personal Guarantee of Managing Director.
C)	1) Extension of 1st Mortgage charge on property located at Hobli, Bangalore of Gati Kintetsu Express Private Limited. 2) Subservient Charge on current asset and Property, Plant and Equipment of the company (both Present and Future)
D)	First charge by way of equitable mortgage of properties at: 1) Property at Binola, Gurgaon (Haryana). 2) Land and Building situated at Secunderabad, Telangana. (In place of shameerpet) 3) Personal Guarantee of Managing Director
E)	First and exclusive charge by way of mortgage of Immovable property situated at Smalkha, New Delhi.
F)	1) Mortgage of Ground+3 Floors of Building at Kondapur, Hyderabad. 2) Hypothecation of Future Rent receivables from GATI Kintetsu Express Pvt Ltd by escrowing the lease rentals.
G)	Rupee Term Loan from Bank is repayable in 15 quarterly installment of ₹ 14.38 Mn between April, 2018 to December 2021. 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 a property at Peenya, Bangalore. The company, Gati Limited has also extended a Corporate Guarantee for the same.
H)	Hypothecated against vehicles.

Notes to Consolidated Financial Statements

for the year ended 31 March, 2018

25. Other Non Current Financial Liabilities

	(In ₹ Mn)		
	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Rental Obligation	24.65	27.67	29.78
Security Deposit	31.06	33.58	27.40
Interest accrued but not due on borrowings	3.03	1.46	12.18
Total	58.74	62.71	69.36

26. Provisions

	(In ₹ Mn)		
	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Employee Benefits			
Gratuity (Refer Note No.47)	40.92	36.21	27.04
Leave Encashment	28.25	12.90	11.42
Total	69.17	49.11	38.46

27. Deferred Tax Liabilities (Net)

	(In ₹ Mn)		
	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Depreciation and Amortization Expenses	-	0.17	0.10
Total	-	0.17	0.10

28. Borrowings

	(In ₹ Mn)		
	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Secured			
Working Capital facilities from Banks			
- Cash Credit	1,050.28	864.22	671.81
- Commercial paper	-	500.00	700.00
Total	1,050.28	1,364.22	1,371.81

Particulars of Nature of Security:

	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
1 Working capital loan is secured by first charge on entire current assets of the company on pari-passu basis with other working capital lenders with property situated at			
1) Verna Industrial Estate, Salcete, Goa.			
2) Pimpas village, Bhiwandi, Thane District, Mumbai.	51.06	143.10	256.60
2 Working capital loan is secured by first charge on entire current assets of the Group on pari passu basis with other working capital lenders along with immovable properties in Mumbai, Bangalore, Jaipur, and Port Blair as collateral security. The same security is extended as collateral to a subsidiary.			
	999.22	1,221.12	1,115.21
Total	1,050.28	1,364.22	1,371.81

Notes to Consolidated Financial Statements

for the year ended 31 March, 2018

29. Trade Payables

	(In ₹ Mn)		
	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
For Goods and Services			
Dues of Micro, Small and Medium Enterprises (Refer Note No.49)	-	-	-
Dues of creditors other than Micro, Small and Medium Enterprises*	1,239.91	761.87	925.77
Total	1,239.91	761.87	925.77

* Including Acceptances

30. Other Current Financial Liabilities

	(In ₹ Mn)		
	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Current Maturities of Long-term borrowings - Term Loan (Refer Note.24)	440.39	2,398.46	2,593.51
Current Maturities of Finance lease obligation (Refer Note 24)	6.28	-	-
Security Deposits	156.77	163.04	103.11
Corporate Guarantee Obligation	3.64	7.78	8.35
Rental Obligation	3.02	3.02	2.72
Interest accrued but not due on Borrowings	2.97	22.12	18.81
Unclaimed Dividends (a)	7.72	6.65	5.05
Employee Related Liabilities	189.22	62.56	196.65
Unclaimed matured deposits and interest accrued thereon	9.30	16.31	11.66
Liability towards guarantee invoked (Refer Note.42)	236.00	-	-
Others	162.67	140.12	212.75
Total	1,217.98	2,820.06	3,152.61

(a) These figures do not include any amount, due and outstanding, to be credited to Investor Education and Protection fund under Section 125 of Companies Act, 2013

31. Other Current Liabilities

	(In ₹ Mn)		
	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Statutory dues	59.80	37.39	37.97
Other Advances			
Due to Associates	25.79	-	-
Others	244.03	115.14	172.34
Total	329.62	152.53	210.31

32. Current Tax Liabilities

	(In ₹ Mn)		
	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Provision for income tax	0.18	-	-
Total	0.18	-	-

Notes to Consolidated Financial Statements

for the year ended 31 March, 2018

33. Provisions

	(In ₹ Mn)		
	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Provision for Employee Benefits			
- Gratuity(Refer Note.47)	6.70	3.02	2.16
- Leave Encashment	5.85	7.75	6.46
Total	12.55	10.77	8.62

34. Revenue From Operations

	(In ₹ Mn)	
	Year ended 31 March, 2018	Year ended 31 March, 2017
Sale of Services		
Freight, Ecom, Demurrage and Miscellaneous services	14,013.52	13,981.63
Sale of Products		
Sale of Diesel, Petrol and Others	3,190.95	2,741.07
Total (A)	17,204.47	16,722.70
Other Operating Revenue		
Other recoveries	153.05	187.23
Total (B)	153.05	187.23
Grand total (A+B)	17,357.52	16,909.93

35. Other Income

	(In ₹ Mn)	
	Year ended 31 March, 2018	Year ended 31 March, 2017
Interest income on		
Unwinding of other financial assets	18.99	56.58
Refund of Income tax	24.03	2.44
Other Non Operating Income		
Rental Income	24.65	18.79
Net Foreign Exchange Gain	1.90	1.35
Net Gain on disposal of Property, plant & equipment	57.88	3.90
Liabilities no longer required - written back * (Refer note no.58)	639.81	0.76
Miscellaneous Income	11.24	20.02
Total	778.50	103.84

* ₹28.66 Mn of provision made for loans and advances earlier years against special reserve now no longer required. This amount was not credited back to special reserve account as the scheme of arrangement. {Refer Note.22A(f)} did not contemplate any accretion to social reserve account and ₹119.70 Mn of provision no longer required written back in a Foreign subsidiary.

36. Operating Expenses

	(In ₹ Mn)	
	Year ended 31 March, 2018	Year ended 31 March, 2017
Freight	8,675.31	8,264.22
Fleet Running Expenses	282.35	318.60
Vehicles' trip expenses	285.64	326.18
Tyres and Tubes	5.90	6.99
Warehouse rent	121.35	131.59
Other Operating Expenses	510.33	520.96
Claims for Loss & Damages (Net)	127.12	212.46

Notes to Consolidated Financial Statements

for the year ended 31 March, 2018

36. Operating Expenses (contd..)

	(In ₹ Mn)	
	Year ended 31 March, 2018	Year ended 31 March, 2017
Vehicles' taxes	6.40	5.35
Vehicles' and ships Insurance	3.46	2.67
Power, Fuel and Water Expenses	10.34	5.09
Stores and Spare Parts Consumed	37.01	39.07
Total	10,065.21	9,833.18

37 Changes in Inventories of Stock-in-Trade

	(In ₹ Mn)	
	Year ended 31 March, 2018	Year ended 31 March, 2017
Opening Stock :		
Stock-in-trade	62.67	49.66
	62.67	49.66
Less: Closing Stock		
Stock-in-trade	85.99	62.67
	85.99	62.67
Increase / (Decrease) in Inventories of Stock-in-trade	(23.32)	(13.01)

38. Employee Benefit Expenses

	(In ₹ Mn)	
	Year ended 31 March, 2018	Year ended 31 March, 2017
Salaries, Wages & Bonus	1,776.00	1,726.14
Contribution to Provident fund and other funds	86.68	82.03
Expenses on Employee Stock Option scheme	1.08	0.66
Staff Welfare Expenses	48.37	33.31
Total	1,912.13	1,842.14

39. Finance Cost

	(In ₹ Mn)	
	Year ended 31 March, 2018	Year ended 31 March, 2017
Interest Expense on		
Term Loans and Working Capital	428.74	397.64
Public Deposits	20.37	37.88
Finance lease Obligations	1.08	-
Others borrowing cost	19.32	64.22
Total	469.51	499.74

40. Depreciation and amortization expense

	(In ₹ Mn)	
	Year ended 31 March, 2018	Year ended 31 March, 2017
Depreciation on Tangible Assets	283.65	289.11
Amortisation of Intangible Assets	16.31	8.88
Total	299.96	297.99

Notes to Consolidated Financial Statements

for the year ended 31 March, 2018

41. Other Expenses

	(In ₹ Mn)	
	Year ended 31 March, 2018	Year ended 31 March, 2017
A Administration Expenses		
Rent	563.70	508.28
Rates and Taxes	31.94	25.61
Insurance	12.51	14.03
Telephone expenses	40.72	40.93
Printing and Stationery	28.62	29.36
Travelling expenses	90.58	84.01
Professional and Consultancy Charges	63.08	50.17
Legal expenses	5.24	10.95
Advertisement Expenses	49.52	29.66
Electricity	92.80	96.41
Bank Collection charges	19.91	18.59
Director Sitting fees	2.42	2.90
Commission to Non-Whole-time Directors	2.75	3.40
Corporate Social Responsibility Expenditure (Refer Note 41.1)	4.68	8.48
Payment to Auditors [Refer Note: 41.2]	5.85	4.72
Allowance for bad and doubtful debts	(1.11)	145.66
Bad debts and irrevocable balances written off	421.17	49.51
Less: Provision for loss allowance recognised in earlier years	(366.98)	-
Provision towards capital expenditure	10.97	-
Provision for Investment	0.49	0.79
Net loss arising from investment designated at FVTPL	-	55.00
Charity and Donations	3.80	7.84
Miscellaneous expenses	201.67	198.35
Sub Total (A)	1,284.33	1,384.65
B Repairs & Maintainance		
Office Maintenance and Repairs	199.13	175.07
Other Vehicles	14.22	11.32
Plant and Machinery	8.70	8.54
Computers	52.44	48.19
Buildings	1.62	1.08
Sub Total (B)	276.11	244.20
Grand Total (A+B)	1,560.44	1,628.85

41.1 Corporate Social Responsibility Expenditure

	(In ₹ Mn)	
	Year ended 31 March, 2018	Year ended 31 March, 2017
Gross amount required to be spent by the group during the year (A)	18.63	14.57
Amount Spent during the year ended on 31 March, 2018 (B)		
i) Construction/Acquisition of any asset	1.12	3.38
ii) On purpose other than (i) above	3.56	5.10
Total	4.68	8.48
Amount Unspent (A - B)	13.95	6.09

Notes to Consolidated Financial Statements

for the year ended 31 March, 2018

41. Other Expenses (contd..)

41.2 Payment to auditor (Excluding Goods and Service Tax)

	(In ₹ Mn)	
	Year ended 31 March, 2018	Year ended 31 March, 2017
Statutory Audit fees	4.15	3.23
Taxation Matters	1.39	1.35
Certification fees and other services	0.31	0.14
Total	5.85	4.72

42. Exceptional Items

	(In ₹ Mn)	
	Year ended 31 March, 2018	Year ended 31 March, 2017
Liability of invocation of Corporate Guarantee *	236.00	-
Total	236.00	-

* Exceptional item of ₹236 Mn represents Invocation of Corporate Guarantee in favour of financial institution, which has been challenged by the company under appeal.

43. Tax Expenses

	(In ₹ Mn)	
	Year ended 31 March, 2018	Year ended 31 March, 2017
Income Tax recognised in Statement of Profit and Loss		
Current Tax	96.71	114.03
Deferred Tax	55.83	(20.50)
Income Tax for earlier years	0.39	0.40
Total	152.93	93.93

43.1 Reconciliation of Income Tax expense for the year with book profits

	(In ₹ Mn)	
	Year ended 31 March, 2018	Year ended 31 March, 2017
Profit before Tax	544.00	265.44
Applicable Tax Rate	34.608%	34.608%
Tax Expense	188.27	91.86
Tax Effect of :		
Expenses non-deductible for tax purposes	77.33	95.38
Effect of different tax rate on certain items	(1.64)	42.35
Exempted income & Expenses allowable for tax purposes	(173.12)	(123.44)
Utilisation of previously unrecognised tax losses	(113.99)	(41.72)
MAT payable at 18.5% on the adjusted book profits of the company in accordance with the provisions of Income Tax Act, 1961	51.83	(26.72)
Depreciation on Intangible assets	(25.68)	(34.24)
Difference in tax rates of subsidiary companies	94.10	110.96
Current Tax provision (A)	97.10	114.43
Deferred Tax provision (B)	55.83	(20.50)
Tax Expense in Statement of Profit and Loss (A+B)	152.93	93.93

Notes to Consolidated Financial Statements

for the year ended 31 March, 2018

44. Contingent liabilities and commitments

(I) Contingent Liabilities (to the extent not provided for)

	(In ₹ Mn)		
	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
(a) Claim against the Group not acknowledged as debt			
(i) Income tax Demand disputed in appeals	1,373.06	15.04	308.94
(ii) Service tax demand disputed in appeals	457.42	-	-
(iii) Others	89.25	-	-
Total	1,919.73	15.04	308.94
(b) Bank Guarantee (*)	106.15	74.65	41.58
(c) Corporate Guarantee outstanding (**)	-	236.00	236.00

(*) Bank Guarantee is issued to meet certain business obligations towards govt agencies and certain customers.

(**) Corporate guarantee given to others.

(II) Commitments

	(In ₹ Mn)		
	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Commitments for Acquisition of Property, Plant and Equipment (Net of Advance's)			
Towards Property, plant & Equipment	14.00	36.65	103.77
Towards Intangible Assets	8.32	-	-
	22.32	36.65	103.77

45. Operating lease

The group has taken certain assets such as land, office premises etc, on operating lease. Leasehold land is held on operating lease. There is no restrictions imposed in lease agreements. There are no subleases. The leases are cancellable. Premium paid on leasehold land is amortised over a period of lease.

	(In ₹ Mn)		
	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Not later than one year	14.84	12.15	9.20
Later than one year but not later than five years	71.49	53.77	39.24
Later than five years	275.55	309.55	203.05
	361.88	375.47	251.49

46. Finance Leases: Group as Lessee

The future minimum lease rentals payable as at 31 March, 2018 and as at 31 March, 2017 and the corresponding present value of such payments is as follows:

Finance Lease - Future minimum Lease payments are as follows:

	(In ₹ Mn)		
	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
(a) Minimum Lease Payment			
i) Not later than one year	9.49	-	-
ii) Later than one year but not later than five years	49.63	12.35	-
iii) Later than five years	43.20	45.29	-
Total (a)	102.32	57.64	-

Notes to Consolidated Financial Statements

for the year ended 31 March, 2018

46. Finance Leases: Group as Lessee (contd..)

	(In ₹ Mn)		
	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
(b) Finance Lease Charges			
i) Not later than one year	3.21	-	-
ii) Later than one year but not later than five years	8.97	3.87	-
iii) Later than five years	34.34	35.75	-
Total (b)	46.52	39.62	-
(c) Net Principal Component			
i) Not later than one year	6.28	-	-
ii) Later than one year but not later than five years	40.66	8.48	-
iii) Later than five years	8.85	9.54	-
Total (c) = (a-b)	55.79	18.02	-

47. Disclosure as required under Ind As 19 on Employee Benefits:

	(In ₹ Mn)		
	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Statement of Assets and Liabilities for defined benefit obligation			
Defined benefit asset - Gratuity Plan	55.97	49.46	51.88
Defined benefit obligation - Gratuity Plan	(96.19)	(87.97)	(77.84)
Total employee benefit liabilities	(40.22)	(38.51)	(25.96)

Defined contribution

The expense for defined contribution plans amounted to ₹ 86.68 Mn and ₹ 82.03 Mn for the year ended 31 March, 2018 and 31 March, 2017 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 company 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 ₹ 12.5 Mn 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 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.

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 31 March, 2018

47. Disclosure as required under Ind As 19 on Employee Benefits: (contd..)

Reconciliation of the net defined benefit (asset)/ liability:

	(In ₹ Mn)	
	As at 31 March, 2018	As at 31 March, 2017
(I) Reconciliation of present value of defined benefit obligation		
(a) Balance at the beginning of the year	87.97	77.84
(b) Current service cost	16.01	5.19
(c) Interest cost	7.36	6.28
(d) Past service cost	6.47	-
(e) Benefits paid	(15.29)	(4.93)
(f) Actuarial (gains)/ losses recognised in other comprehensive income	-	2.87
change in financial assumptions	(34.58)	0.23
experience adjustments	28.25	0.49
Balance at the end of the year	96.19	87.97
(II) Reconciliation of present value of plan assets		
(a) Balance at the beginning of the year	49.46	51.88
(b) Actual return on plan assets	2.95	3.67
(c) Contributions by the employer	18.85	10.84
(e) Benefits paid	(15.29)	(16.93)
Balance at the end of the year	55.97	49.46
(III) Net asset/ (liability) recognised in the Balance Sheet		
(a) Present value of defined benefit obligation	(96.19)	(87.97)
(b) Fair value of plan assets	55.97	49.46
Net defined benefit obligations in the Balance Sheet	(40.22)	(38.51)
(IV) Expense recognised in Statement of Profit or Loss		
(a) Current service cost	16.01	5.19
(b) Past service cost	6.86	-
(c) Interest cost	6.03	6.18
(d) Interest income	(3.06)	-
Amount charged to Profit or Loss	25.84	11.37
(V) Remeasurements recognised in Other Comprehensive Income		
(a) Actuarial gain / (loss) on defined benefit obligation	(6.32)	(1.34)
(b) Return on plan asset excluding interest income	1.05	-
Amount recognised in Other Comprehensive Income	(5.27)	(1.34)
(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	7.65%	8.13%
(b) Future salary growth	3.00%	3.00%
(c) Retirement age (years)	58	58
(d) Withdrawal rates	9%	9%
(e) Mortality rate	100%	100%

Assumptions regarding future mortality experience are set in accordance with the published rates under Indian Assured Lives Mortality (2006-08).

Notes to Consolidated Financial Statements

for the year ended 31 March, 2018

47. Disclosure as required under Ind As 19 on Employee Benefits: (contd..)

(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:

	As at 31 March, 2018		As at 31 March, 2017	
	Increase	Decrease	Increase	Decrease
(a) Discount rate (1% movement)	90.42	102.25	78.62	98.75
(b) Future salary growth (1% movement)	102.32	90.29	102.12	76.26
(c) Withdrawal assumption (1% movement)	101.33	87.44	12.04	15.41

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.

48. 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 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 Group 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 (designation of the person who reviews) reviews internal management reports at quarterly basis.

Reportable segments

Express Distribution and Supply Chain
Fuel Stations
Others

Operations

Covers integrated cargo services- Road, Rail, Air transportation and supply chain solutions
Covers fuel stations dealing in petrol, diesel and lubricants, etc.
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 (designation of the person who review). 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. The group is not reliant on revenue from transactions with any single external customers and does not receive 10% or more of its revenue from transactions with any single customer

Summary of Segment Information as at and for the year ended 31 March, 2018 and 31 March, 2017 is as follows:

	(In ₹ Mn)	
	Year ended 31 March, 2018	Year ended 31 March, 2017
I. Segment Revenue (Net Sale / Income from each Segment)		
a) Express Distribution & Supply Chain	14,215.20	14,187.31
b) Fuel Station	2,399.32	2,149.51
c) Others	792.11	592.21
Total	17,406.63	16,929.03
Less: Inter Segment Revenue	(49.11)	(19.10)
Net Sales / Income from Operations	17,357.52	16,909.93

Notes to Consolidated Financial Statements

for the year ended 31 March, 2018

48. Segment information (contd..)

	(In ₹ Mn)	
	Year ended 31 March, 2018	Year ended 31 March, 2017
2. Segment Results (Profit (+) / Loss (-))		
a) Express Distribution & Supply Chain	1,178.27	714.18
b) Fuel Station	66.59	50.50
c) Others	4.65	0.50
Total	1,249.51	765.18
Less: Finance Cost	(469.51)	(499.74)
Profit before Exceptional Items and tax	780.00	265.44
Exceptional Items (Refer note.42)	(236.00)	-
Profit before tax	544.00	265.44
Less: Tax Expenses	152.93	93.93
Profit after Tax as per statement of profit and loss	391.07	171.51

	(In ₹ Mn)		
	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
3. Segment Assets			
a) Express Distribution & Supply Chain	13,497.88	13,447.55	13,877.85
b) Fuel Station	221.42	195.55	144.83
c) Others	247.75	196.01	140.08
d) Unallocated	596.82	729.80	894.71
Total Assets	14,563.87	14,568.91	15,057.47
Segment Liabilities			
a) Express Distribution & Supply Chain	2,305.89	1,331.16	1,715.33
b) Fuel Station	6.08	4.76	4.05
c) Others	161.78	117.78	92.37
d) Unallocated	3,665.11	5,581.54	5,514.69
Total Liabilities	6,138.86	7,035.24	7,326.44

	(In ₹ Mn)	
	Year ended 31 March, 2018	Year ended 31 March, 2017
4. Depreciation and amortization expense		
a) Express Distribution & Supply Chain	298.90	297.09
b) Fuel Station	0.86	0.69
c) Others	0.20	0.21
Total	299.96	297.99

	(In ₹ Mn)	
	Year ended 31 March, 2018	Year ended 31 March, 2017
5. Significant non - cash Expenditure		
a) Express Distribution & Supply Chain	53.08	194.04
b) Fuel Station	-	1.14
c) Others	-	-
Total	53.08	195.18

Notes to Consolidated Financial Statements

for the year ended 31 March, 2018

48. Segment information (contd..)

	(In ₹ Mn)	
	Year ended 31 March, 2018	Year ended 31 March, 2017
6. Capital Expenditure		
a) Express Distribution & Supply Chain	375.62	631.42
b) Fuel Station	0.23	2.38
c) Others	2.07	-
Total	377.92	633.80

C. Geographical information

The Group at present, operates in India only and therefore the analysis of geographical segments is not applicable to the Company.

	(In ₹ Mn)	
	Year ended 31 March, 2018	Year ended 31 March, 2017
I. Revenue from External Customers		
a) India	16,611.94	16,494.07
b) International	745.58	415.86
Total	17,357.52	16,909.93

	(In ₹ Mn)		
	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
2. Segment Non Current assets*			
a) India	10,262.21	10,271.04	10,137.79
b) International	0.63	0.38	0.64
Total Assets	10,262.84	10,271.42	10,138.43

* Non current asset are Excluding Financial Assets, Non current tax assets, Deferred Tax asset and Post employment Benefit assets.

49. Due to Micro, Small and Medium Enterprises

	(In ₹ Mn)		
	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
(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.	-	-	-

Notes to Consolidated Financial Statements

for the year ended 31 March, 2018

49. Due to Micro, Small and Medium Enterprises (contd..)

	(In ₹ Mn)		
	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
(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, Small and Medium Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. There is no dues unpaid to Micro and Small Enterprises as on 31 March, 2018 (Previous year 31 March, 2017)

50. Dividend

	(In ₹ Mn)	
	Year ended 31 March, 2018	Year ended 31 March, 2017
Dividend on equity shares paid during the year		
Final Dividend	78.70	87.72
Dividend distribution tax on final dividend	21.09	28.22
	99.79	115.94

Proposed Dividend:

The Board of Directors at its meeting held on 29-05-2018 have recommended a payment of final dividend of ₹ 0.90 per equity share of face value of ₹ 2 each for the financial year ended 31 March, 2018. The same amounts to ₹ 97.51 Mn. The liability to be adjusted against retained earnings.

The above is subject to approval at the ensuing Annual General Meeting of the company and hence not recognised as a liability.

Notes to Consolidated Financial Statements

for the year ended 31 March, 2018

51. 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 31 March, 2018, including their levels in the fair value hierarchy

Particulars	Carrying amount					Fair value			(In ₹ Mn)
	FVTPL	FVOCI	Other financial assets - amortised cost	Other financial liabilities- amortised cost	Total carrying amount	Level 1	Level 2	Level 3	
Financial assets measured at fair value									
Investment in equity instruments	-	41.55	-	-	41.55	41.55	-	-	41.55
	-	41.55	-	-	41.55	41.55	-	-	41.55
Financial assets not measured at fair value									
Investment in equity instruments	0.18	-	-	-	0.18	-	-	0.18	0.18
Loans	-	-	179.69	-	179.69	-	-	-	-
Other financial assets	-	-	403.07	-	403.07	-	-	-	-
Trade receivables	-	-	2,431.67	-	2,431.67	-	-	-	-
Cash and cash equivalents	-	-	191.11	-	191.11	-	-	-	-
Other bank balances	-	-	226.65	-	226.65	-	-	-	-
	0.18	-	3,432.19	-	3,432.37	-	-	0.18	0.18
Financial liabilities not measured at fair value									
Borrowing	-	-	-	3,210.70	3,210.70	-	-	-	-
Trade payables	-	-	-	1,239.91	1,239.91	-	-	-	-
Other financial liabilities	-	-	-	1,276.72	1,276.72	-	-	-	-
	-	-	-	5,727.33	5,727.33	-	-	-	-

Notes to Consolidated Financial Statements

for the year ended 31 March, 2018

51. Financial instruments - fair values and risk management (contd..)

A. Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities as at 31 March, 2017, including their levels in the fair value hierarchy.

Particulars	Carrying amount					Fair value		
	FVTPL	FVOCI	Other financial assets - amortised cost	Other financial liabilities- amortised cost	Total carrying amount	Level 1	Level 2	Total
								(In ₹ Mn)
Financial assets measured at fair value								
Investment in equity instruments	-	42.77	-	-	42.77	42.77	-	42.77
	-	42.77	-	-	42.77	42.77	-	42.77
Financial assets not measured at fair value								
Investment in equity instruments	0.18	-	-	-	0.18	-	0.18	0.18
Loans	-	-	141.66	-	141.66	-	-	-
Other financial assets	-	-	398.23	-	398.23	-	-	-
Trade receivables	-	-	2,143.05	-	2,143.05	-	-	-
Cash and cash equivalents	-	-	331.26	-	331.26	-	-	-
Other bank balances	-	-	298.70	-	298.70	-	-	-
	0.18	-	3,312.90	-	3,313.08	-	0.18	0.18
Financial liabilities not measured at fair value								
Borrowing	-	-	-	3,178.02	3,178.02	-	-	-
Trade payables	-	-	-	761.87	761.87	-	-	-
Other financial liabilities	-	-	-	2,882.77	2,882.77	-	-	-
	-	-	-	6,822.66	6,822.66	-	-	-

Notes to Consolidated Financial Statements

for the year ended 31 March, 2018

51. Financial instruments - fair values and risk management (contd..)

A. Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities as at 1 April, 2016, including their levels in the fair value hierarchy:

Particulars	Carrying amount					Fair value			(In ₹ Mn)
	FVTPL	FVOCI	Other financial assets - amortised cost	Other financial liabilities- amortised cost	Total carrying amount	Level 1	Level 2	Level 3	
Financial assets measured at fair value									
Investment in equity instruments	-	32.95	-	-	32.95	32.95	-	-	32.95
	-	32.95	-	-	32.95	32.95	-	32.95	32.95
Financial assets not measured at fair value									
Investment in equity instruments	0.18	-	-	-	0.18	-	-	0.18	0.18
Loans	-	-	177.86	-	177.86	-	-	-	-
Other financial assets	-	-	758.85	-	758.85	-	-	-	-
Trade receivables	-	-	2,442.65	-	2,442.65	-	-	-	-
Cash and cash equivalents	-	-	151.18	-	151.18	-	-	-	-
Other bank balances	-	-	302.84	-	302.84	-	-	-	-
	0.18	-	3,833.39	-	3,833.56	-	-	0.18	0.18
Financial liabilities not measured at fair value									
Borrowing	-	-	2,921.20	-	2,921.20	-	-	-	-
Trade payables	-	-	925.77	-	925.77	-	-	-	-
Other financial liabilities	-	-	3,221.98	-	3,221.98	-	-	-	-
	-	-	7,068.95	-	7,068.95	-	-	-	-

Notes to Consolidated Financial Statements

for the year ended 31 March, 2018

5 I. Financial instruments - fair values and risk management (contd..)

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, trade payables and other financial assets and liabilities approximate their carrying amount largely due to the short-term nature of these instruments. The Group's 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 I fair values

The following table shows a reconciliation from the opening balance to the closing balance for Level I fair values.

Particulars	(In ₹ Mn) FVOCI Equity instruments
Balance at 1 April, 2016	32.95
Gain included on OCI	
Net change in fair value (unrealised)	9.82
Balance at 31 March, 2017	42.77
Balance at 1 April, 2017	42.77
Gain included on OCI	
Net change in fair value (unrealised)	(1.22)
Balance at 31 March, 2018	41.55

C. Financial risk management

The Group 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, 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 trade receivables, 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 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 Group 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 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.

Notes to Consolidated Financial Statements

for the year ended 31 March, 2018

51. Financial instruments - fair values and risk management (contd..)

Trade receivables and loans

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. On account of adoption of Ind AS 109, the Company uses expected credit loss model to assess the impairment loss or gain. The Company 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 ₹ Mn)		
	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Trade Receivables (Gross)	2,734.23	2,821.70	3,092.33
Less: Expected Credit Loss	302.56	678.65	649.68
Trade Receivables (Net)	2,431.67	2,143.05	2,442.65

(In ₹ Mn)	
Reconciliation of Loss allowance provision	Trade Receivables
Loss Allowance on 1 April, 2016	649.68
Change in Loss allowance	28.97
Loss Allowance in 31 March, 2017	678.65
Change in Loss allowance	(376.09)
Loss Allowance in 31 March, 2018	302.56

(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 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 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 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 ₹ Mn)					
31 March, 2018	Contractual cash flows				
	Carrying amount	Total	Less than 1 year	1 to 5 years	More than 5 years
Borrowings	3,210.70	3,210.70	1,050.30	2,160.40	-
Trade payables	1,239.91	1,239.91	1,239.91	-	-
Other financial liabilities	1,276.72	1,276.72	1,217.98	58.74	-
	5,727.33	5,727.33	3,508.19	2,219.14	-

Notes to Consolidated Financial Statements

for the year ended 31 March, 2018

51. Financial instruments - fair values and risk management (contd..)

	(In ₹ Mn)				
31 March, 2017	Contractual cash flows				
	Carrying amount	Total	Less than 1 year	1 to 5 years	More than 5 years
Borrowings	3,178.02	3,178.02	1,364.22	1,813.80	-
Trade payables	761.87	761.87	761.87	-	-
Other financial liabilities	2,882.77	2,882.77	2,820.06	62.71	-
	6,822.66	6,822.66	4,946.15	1,876.51	-

	(In ₹ Mn)				
1 April, 2016	Contractual cash flows				
	Carrying amount	Total	Less than 1 year	1 to 5 years	More than 5 years
Borrowings	2,921.20	2,921.20	1,415.05	1,506.15	-
Trade payables	925.77	925.77	925.77	-	-
Other financial liabilities	3,221.98	3,221.98	3,152.61	69.36	-
	7,068.95	7,068.95	5,493.43	1,575.51	-

(iii) Market risk

Market risk is the risk that changes in market prices - such as foreign exchange rates and interest rates - will affect the Group'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.

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 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 Company 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's interest bearing financial instruments at the end of the reporting period are as follows:

	(In ₹ Mn)		
Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Fixed rate instruments			
Financial assets	-	-	-
Financial liabilities			
Non-convertible debentures ("NCD"), Secured	713.68	661.44	615.29
Term Loan From Banks	153.80	110.83	174.39
Term Loan From Financial Institutions	248.40	184.90	0.33
Finance lease Obligation (Refer Note 46)	55.79	18.02	-
Fixed deposits	136.45	214.11	351.51
Foreign Currency Convertible Bonds (Liability Component)	-	1,910.49	1,863.05
2% Compulsorily Convertible Cumulative Preference Shares	100.00	100.00	100.00
	1,408.12	3,199.79	3,104.57
Variable rate instruments			
Financial assets	-	-	-
Financial liabilities			
Term Loan From Banks	1,198.97	1,012.47	1,038.34
Cash Credit	1,050.28	864.22	671.81
	2,249.25	1,876.69	1,710.15

Notes to Consolidated Financial Statements

for the year ended 31 March, 2018

51. Financial instruments - fair values and risk management (contd..)

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	Profit or loss		Effect on total equity	
	31 March, 2018	31 March, 2017	31 March, 2018	31 March, 2017
	(In ₹ Mn)			
Variable rate instruments - increase by 100 basis points	22.49	18.77	22.49	18.77
Variable rate instruments - decrease by 100 basis points	(22.49)	(18.77)	(22.49)	(18.77)

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 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 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 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	Profit or loss		Effect on total equity	
	31 March, 2018	31 March, 2017	31 March, 2018	31 March, 2017
	(In ₹ Mn)			
NSE Nifty 50 - increase by 10% (31 March, 2017: 10%)	4.15	4.28	4.15	4.28
NSE Nifty 50 - decrease by 10% (31 March, 2017: 10%)	(4.15)	(4.28)	(4.15)	(4.28)

52. 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 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.

The Group monitors capital on the basis of the following gearing ratio.

Particulars	(In ₹ Mn)		
	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Total Borrowings	3,210.70	3,178.02	2,921.20
Current maturities of long term borrowings	440.39	2,398.46	2,593.51
Less:-			
Cash and cash equivalents	(191.11)	(331.26)	(151.18)
Bank Balances other than cash and cash equivalents	(226.65)	(298.70)	(302.84)
Current Investments	-	-	(342.95)
Net debt	3,233.33	4,946.52	4,717.74
Equity	7,501.46	6,565.00	6,753.64
Debt to equity ratio	0.43	0.75	0.70

Notes to Consolidated Financial Statements

for the year ended 31 March, 2018

53 Earnings Per Share

	(In ₹ Mn)	
	Year ended 31 March, 2018	Year ended 31 March, 2017
Profit for the year	342.32	107.77
Weighted average number of shares outstanding (Nos.)	10,26,92,104	8,81,82,054
Diluted average number of shares outstanding (Nos.)	10,29,42,341	11,86,99,762
Basic Earnings Per Share (In ₹)	3.33	1.22
Diluted Earnings Per Share (In ₹)	3.33	0.91
Nominal value of shares outstanding (In ₹)	2	2

54. Explanation of Transition to IND AS

As stated in Note 2, the Group has prepared its first financial statements in accordance with Ind AS. For the year ended 31 March, 2017, the Group had prepared its financial statements in accordance with Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act and other relevant provisions of the Act ('previous GAAP').

The accounting policies set out in Note 2 have been applied in preparing the financial statements for the year ended 31 March, 2018 including the comparative information for the year ended 31 March, 2017 and the opening Ind AS balance sheet on the date of transition i.e. 1 April, 2016.

In preparing its Ind AS balance sheet as at 1 April, 2016 and in presenting the comparative information for the year ended 31 March, 2017, the Group has adjusted amounts reported previously in financial statements prepared in accordance with previous GAAP. This note explains the principal adjustments made by the Group in restating its financial statements prepared in accordance with previous GAAP, and how the transition from previous GAAP to Ind AS has affected the Group's financial position, financial performance and cash flows.

Optional exemptions availed and mandatory exceptions

In preparing the financial statements, the Group has applied the below mentioned optional exemptions and mandatory exceptions.

A. Optional exemptions availed

(i) Property, plant and equipment and intangible assets

As per Ind AS 101, Group may elect to:

- (i) measure an item of property, plant and equipment at the date of transition at its fair value and use that fair value as its deemed cost at that date;
- (ii) use a previous GAAP revaluation of an item of property, plant and equipment at or before the date of transition as deemed cost at the date of revaluation, provided the revaluation was, at the date of revaluation, broadly comparable to:
 - fair value
 - or cost or depreciated cost under Ind AS adjusted to reflect.

The elections under (i) and (ii) above are also available for intangible assets that meets the recognition criteria in Ind AS 38, Intangible Assets, (including reliable measurement of original cost); and criteria in Ind AS 38 for revaluation (including the existence of an active market). The Group has elected to measure certain items of property, plant and equipment at its fair value and use that value as its deemed cost at the date of transition to Ind AS. Others items of property, plant and equipment and other intangible assets have been measured as per Ind AS 16 and Ind AS 38 respectively.

(ii) Designation of previously recognised financial instruments

Ind AS 101 permits an entity to designate particular equity investments (other than equity investments in associates) as at fair value through other comprehensive income (FVOCI) based on facts and circumstances at the date of transition to Ind AS (rather than at initial recognition). Other equity investments are classified at fair value through profit or loss (FVTPL).

The Group has opted to avail this exemption to designate certain equity investments as FVOCI on the date of transition i.e. 1 April, 2016 on the basis of facts and circumstances existed at the date of transition to Ind AS.

Notes to Consolidated Financial Statements

for the year ended 31 March, 2018

54. Explanation of Transition to IND AS (contd..)

(iii) Business combinations

Ind AS 101 provides the option to apply Ind AS 103 prospectively from the transition date or from a specific date prior to the transition date. This provides relief from full retrospective application that would require restatement of all business combinations prior to the transition date.

The Group has elected to apply Ind AS 103 prospectively to business combinations occurring after its transition date. Business combinations occurring prior to the transition date have not been restated, accordingly Group has elected not to apply Ind-AS 103.

(iv) Investments in Associate

The Group has elected either the Indian GAAP carrying amount or fair value at the date of transition as deemed cost for its investment in each associate.

(v) Cumulative translation difference

The Group has availed the option of not to adopt policy for maintaining Foreign currency monetary item translation difference account (FCMITDA). The balance in FCMITDA account on the date of transition has been transferred to retained earnings.

(vi) Fair value measurement of financial assets or liabilities at initial recognition

The Group has applied the requirements of Ind AS 109, "Financial Instruments: Recognition and Measurement", wherever applicable."

B. Mandatory Exceptions

(a) Estimates

As per Ind AS 101, where application of Ind AS requires an entity to make certain estimates that were not required under previous GAAP, those estimates should be made to reflect conditions that existed at the date of transition (for preparing opening Ind AS balance sheet) or at the end of the comparative period (for presenting comparative information as per Ind AS).

- Investment in equity instruments carried at FVPL or FVOCI.
- Investment in debt instruments carried at FVPL and,
- Impairment of financial assets based on expected credit loss model.

The Group estimates under Ind AS are consistent with the above requirement.

(b) Non-controlling interests

Ind AS 110 requires entities to attribute the profit or loss and each component of other comprehensive income to the owners of the parent and to the non-controlling interests. This requirement needs to be followed even if this results in the non-controlling interests having a deficit balance. Ind AS 101 requires the above requirement to be followed prospectively from the date of transition. Consequently, the group has applied the above requirement prospectively.

(c) Classification and measurement of financial assets

Ind AS 101 requires the group to assess classification of financial assets on the basis of facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets accounted at amortised cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable.

Accordingly, the Group has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. Measurement of the financial assets accounted at amortised cost has been done retrospectively.

Notes to Consolidated Financial Statements

for the year ended 31 March, 2018

54. Explanation of Transition to IND AS (contd..)

C. Reconciliation of Equity

(In ₹ Mn)

Particulars	As at 31 March, 2017				As at 1 April, 2016		
	Notes	Previous GAAP *	Effect of Transition to Ind AS	Ind AS	Previous GAAP *	Effect of Transition to Ind AS	Ind AS
ASSETS							
NON CURRENT ASSETS							
Property, plant and equipment	14	3,089.70	2,498.11	5,587.81	2,787.50	2,478.06	5,265.56
Capital Work in Progress		85.06	-	85.06	199.32	-	199.32
Goodwill		4,468.78	(210.80)	4,257.98	4,468.78	(210.80)	4,257.98
Intangible Assets		36.35	-	36.35	35.73	-	35.73
Intangible Assets under Development		4.42	-	4.42	3.32	-	3.32
Investment in Associates		-	-	-	-	-	-
Financial Assets							
Investments	9 & 13	702.14	(659.19)	42.95	647.14	(614.01)	33.13
Loans	4	166.16	(36.87)	129.30	199.52	(30.18)	169.34
Deferred tax Assets(Net)	5	(111.56)	194.00	82.44	(96.53)	158.30	61.77
Non-Current tax Assets (Net)		610.75	(6.45)	604.30	456.84	-	456.84
Other non-current assets	4 & 10	151.52	18.98	170.50	181.72	25.46	207.18
		9,203.32	1,797.80	11,001.11	8,883.34	1,806.83	10,690.17
CURRENT ASSETS							
Inventories		66.05	-	66.05	51.46	-	51.46
Financial assets							
Current Investments		-	-	-	342.95	-	342.95
Trade receivables	8	2,686.43	(543.38)	2,143.05	2,912.39	(469.74)	2,442.65
Cash and cash equivalents		331.26	-	331.26	151.18	-	151.18
Bank Balances other than above		298.70	-	298.70	302.84	-	302.84
Loans		12.36	-	12.36	8.52	-	8.52
Other financial assets	13	594.91	(196.68)	398.23	935.82	(176.97)	758.85
Other current assets	4	270.15	46.32	316.47	291.17	16.67	307.84
Assets held for sale		1.67	0.01	1.68	1.01	-	1.01
		4,261.52	(693.73)	3,567.80	4,997.34	(630.04)	4,367.30
		13,464.85	1,104.07	14,568.91	13,880.68	1,176.79	15,057.47
Total Assets							
EQUITY AND LIABILITIES							
EQUITY							
Equity Share Capital		176.36	-	176.36	175.45	-	175.45
Other Equity		5,562.55	649.73	6,212.28	5,459.67	943.08	6,402.75
Equity attributable to owners of the company		5,738.91	649.73	6,388.64	5,635.12	943.08	6,578.20
Non controlling interest		883.78	261.24	1,145.02	887.41	265.43	1,152.84
Total Equity		6,622.69	910.97	7,533.66	6,522.53	1,208.51	7,731.04
LIABILITIES							
NON-CURRENT LIABILITIES							
Financial liabilities							
Borrowings	1	1,703.77	110.04	1,813.81	1,454.94	94.45	1,549.39
Other financial liabilities	4	66.81	(4.10)	62.71	72.79	(3.43)	69.36
Provisions	7 & 11	505.46	(456.35)	49.11	431.00	(392.54)	38.46
Deferred tax Assets(Net)		0.17	-	0.17	0.10	-	0.10
		2,276.21	(350.41)	1,925.80	1,958.83	(301.52)	1,657.31
CURRENT LIABILITIES							
Financial liabilities							
Borrowings		1,364.23	-	1,364.22	1,371.79	-	1,371.81
Trade payables		761.87	-	761.87	925.77	-	925.77
Other financial liabilities	1 & 11	2,277.79	542.27	2,820.06	2,756.39	396.22	3,152.61
Other current liabilities		152.50	0.03	152.53	210.31	-	210.31
Provisions	6 & 7	9.56	1.21	10.77	135.04	(126.42)	8.62
		4,565.95	543.51	5,109.45	5,399.30	269.80	5,669.12
Total Equity and Liabilities		13,464.85	1,104.07	14,568.91	13,880.66	1,176.79	15,057.47

* The Previous GAAP figures have been reclassified to confirm to Ind AS presentation requirements for the purpose of this note.

Notes to Consolidated Financial Statements

for the year ended 31 March, 2018

54. Explanation of Transition to IND AS (contd..)

D. Reconciliation of total comprehensive income for the year ended 31 March, 2017

(In ₹ Mn)				
Particulars	Notes	Year ended 31 March, 2017		
		Previous GAAP *	Effect of Transition to Ind AS	Ind AS
I) INCOME				
Revenue from Operations		16,909.93	-	16,909.93
Other Income	4	131.14	(27.30)	103.84
TOTAL INCOME (I)		17,041.07	(27.30)	17,013.77
II) EXPENSES				
Operating Expenses		9,833.19	-	9,833.18
Purchase of Stock in Trade		2,659.44	-	2,659.44
Changes in Inventories of Stock-in-Trade		(13.00)	-	(13.01)
Employee benefits expense	7 & 10	1,842.36	(0.22)	1,842.14
Finance Costs	I & II	447.15	52.59	499.74
Depreciation and amortization expense		300.03	(2.04)	297.99
Other expenses	4 & 8	1,469.53	159.32	1,628.85
TOTAL EXPENSES (II)		16,538.70	209.65	16,748.33
III) PROFIT BEFORE TAXATION (I-II)		502.37	(236.95)	265.44
IV) TAX EXPENSES				
Current Tax		114.37	0.06	114.43
Deferred Tax	5	15.10	(35.60)	(20.50)
TOTAL TAX EXPENSES (IV)		129.47	(35.54)	93.93
V) PROFIT FOR THE YEAR (III-IV)		372.90	(201.41)	171.51
VI) OTHER COMPREHENSIVE INCOME (OCI)				
A) Items not to be reclassified to profit or loss in subsequent periods:				
a) Remeasurement gains/(losses) on defined benefit plans	12	-	(3.59)	(3.59)
b) Equity investments through OCI	9	-	9.82	9.82
c) Income tax effect on above items	5		0.17	0.17
B) Items that will be reclassified to profit or loss subsequent periods:				
a) Exchange difference arising on translation of foreign operations	12	-	(4.71)	(4.71)
Other Comprehensive Income for the year, net of tax		-	1.69	1.69
VII) TOTAL COMPREHENSIVE INCOME FOR THE YEAR (V+VI)		372.90	(199.72)	173.20

* The Previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

E. Effect of IND AS adoption on the Statement of Cash flows for the year ended 31 March, 2017

Particulars	Year ended 31 March, 2017		
	Previous GAAP *	Effect of Transition to Ind AS	Ind AS
(In ₹ Mn)			
Net Cash flow from Operating Activities	951.25	282.42	668.83
Net Cash flow from Investing Activities	(120.39)	42.80	(163.19)
Net Cash flow from Financing Activities	(655.25)	(329.70)	(325.55)
Net increase in Cash and Cash Equivalents	175.61	(4.47)	180.08
Cash and Cash Equivalents at the beginning of the year	454.01	302.83	151.18
Cash and Cash Equivalents at the end of the year	629.62	298.37	331.25

Notes to Consolidated Financial Statements

for the year ended 31 March, 2018

54. Explanation of Transition to IND AS (contd..)

F. There were no significant reconciliation items between cash flows prepared under previous GAAP and those prepared under Ind AS.

Reconciliation of Total Equity as on 31 March, 2017 and 1 April, 2016

Particulars	Note to First Time Adoption	(In ₹ Mn)	
		As at 31 March, 2017 (End of Last Period presented)	As at 1 April, 2016 (Date of Transition)
Equity under Previous Indian GAAP		5,738.91	5,635.12
On account of Fair valuation of EL, Gratuity	7	(13.35)	(13.25)
On account of Fair valuation of FCCB	11	(535.39)	(454.81)
On account of ECLM Trade Receivables	8	(561.53)	(469.74)
On account of Fair valuation of ESOP	10	(10.87)	(10.39)
Reversal of Proposed Dividend & Corporate Dividend Tax	6	(12.09)	128.03
Fair Valuation of Investments	9, 13 & 3	(687.56)	(632.56)
On account of Fair Valuation of Land	14	2,228.54	2,226.50
Provision on Interest on OCD's	13	(207.16)	(157.63)
Share Option Outstanding account	10	11.00	14.89
Securities Premium Reserve	11	476.13	407.65
Equity investments at FVTOCI	9	25.38	18.33
Non- Participating compulsory convertible preference shared has moved to long term liability	1	(100.00)	(100.00)
FCCB Equity Component	11	63.16	63.16
Deferred Tax Impact on the above	5	193.38	157.68
Goodwill impairment		(210.80)	(210.80)
Other Adjustments	1 & 4	(9.11)	(23.98)
Total Adjustment to Equity		649.73	943.07
Total Equity under Ind-AS		6,388.64	6,578.20

G. Notes to the reconciliations of equity as at 1 April, 2016 and 31 March, 2017 and total comprehensive income for the year ended 31 March, 2017

1) Borrowings

The Group recognised the transaction costs pertaining to the borrowings on a straight line basis over the term of the loan under IGAAP. The unamortised portion of such cost was recognised as part of 'Prepaid expense' on the date of transition to IND AS. As per IND AS 109, borrowings are measured at amortised cost and hence, unamortised portion of transaction costs has been adjusted against the amount of borrowings.

2) Investments in Associates

The Group has availed the option to value investments in associate as Ind As cost. The Ind As cost has been derived by impairing value of investment as on the date of transition to IND AS separate financial statements from previous GAAP. Under IGAAP the group has practice of providing provision on investment under permanent diminution valuation method, on transition to Ind As management has decided to impair the investment based on the report provided from independent valuer. Under previous GAAP, Gati (Thailand) co. Ltd was recognised as an associate of the group and consolidated using the equity method.

Under Ind AS, an investor controls an investee when the investor is exposed to (has rights to) variable returns from its involvement with the investee, and has the ability to affect those returns through its power over the investee. Accordingly, Gati (Thailand) co. Ltd is recognised and consolidated as a subsidiary under Ind AS from transition date onwards.

Notes to Consolidated Financial Statements

for the year ended 31 March, 2018

54. Explanation of Transition to IND AS (contd..)

G. Notes to the reconciliations of equity as at 1 April, 2016 and 31 March, 2017 and total comprehensive income for the year ended 31 March, 2017

- 3) As per requirement of Ind As impairment test should be made at the end of each financial year. Further based on the progress of Investee Company's provision will be adjusted accordingly by taking into account of the progress made by said companies going forward.

4) Discounting of financial asset

Under IGAAP, the Group accounted for Security deposit and other receivable balances as Loans and advances measured at cost. Under IND AS, such balances are classified and measured at amortised cost using effective interest rate method. At the date of transition to IND AS, the difference between amortised cost and the IGAAP carrying amount has been recognised in other equity (net of related deferred tax).

5) Deferred tax

IGAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. IND AS 12 requires entities to account for deferred tax using balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. This has resulted in recognition of deferred tax on new temporary difference which was not required under IGAAP.

In addition, the various transitional adjustments leads to temporary differences. According to the accounting policies, the Group has to account for such differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in other equity or a separate component of equity.

6) Provisions

Under IGAAP, proposed dividends including dividend distribution tax (DDT) are recognised as a liability in the period in which they relate, irrespective of when they are declared. Under IND AS, a proposed dividend is recognised as a liability in the period in which it is declared by the group (usually when approved by shareholders in a general meeting) or paid.

7) Defined benefit liabilities

Both under IGAAP and IND AS, the Group recognised costs related to its post employment defined benefit plan on an actuarial basis. Under IGAAP, the entire cost, including actuarial gains and losses, are charged to the statement of profit and loss. Under IND AS, remeasurements (comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts in net interest on the net defined benefit liability) are recognised immediately in the balance sheet with a corresponding debit or credit to other comprehensive income (OCI).

8) Trade Receivables

Under IGAAP, the Company has created provisions for impairment of receivables which consist only in respect of specific amount for probable losses. Under IND AS 109, requires to recognise allowance on trade receivables and other financial assets of the company, at an amount equal to the life time expected credit loss or the 12 months expected credit loss based on increase in credit risk. On transition date, impairment for trade receivables made as per Expected credit loss method (ECLM) is 469.74 Mn has been adjusted against retained earnings.

9) Financial Assets

Under IGAAP, the Group accounted for long term investments in quoted and unquoted equity shares as investment measured at cost less provision for other than temporary diminution in the value of investments. Under IND AS, the group has designated certain investments as FVTOCI. At the date of transition to IND AS, difference between the instruments at fair value and IGAAP carrying amount has been recognised as a separate component of equity, in the FVTOCI reserve, net of related deferred taxes. On 31 March, 2017 fair value on FVTOCI instruments has been routed through OCI. The gain/loss on any future extinguishment of such equity investments will not be reflected in the statement of Profit and loss.

Notes to Consolidated Financial Statements

for the year ended 31 March, 2018

54. Explanation of Transition to IND AS (contd..)

G. Notes to the reconciliations of equity as at 1 April, 2016 and 31 March, 2017 and total comprehensive income for the year ended 31 March, 2017

10) Share Based Payments

Under IGAAP, the Group had recognised the cost of equity settled employee share based payments using the intrinsic value method. Under IND AS, the cost of equity settled share based plan is recognised based on the fair value of the options as at the grant date. Adjustments has been done in to take the additional charge arising due to change from intrinsic value to fair value of ESOS outstanding.

11) Foreign Currency Convertible Bond

Foreign currency convertible bonds (FCCB's) are treated as a compound financial instrument under Ind AS, which contains liability and equity component. This bonds has been spited between liability and equity component. Amortisation of redemption premium and Foreign exchange difference on date of transition, is recognised in opening reserves and changes thereafter are recognised in statement of profit and loss, earlier under IGAAP Redemption premium on FCCB charged to Securities Premium account.(Refer note no.58)

12) Other Comprehensive Income

Under IND AS, all items of income and expenses recognised in a period should be included in profit or loss for the period, unless a standard require or permits otherwise. Items of income and expenses that are not recognised in the statement of Profit or loss but are shown in the Statement of Profit or loss as "Other Comprehensive Income". Net profit along with Other Comprehensive Income constitutes Total Comprehensive Income. The concept of Other Comprehensive Income did not exist under the IGAAP.

13) Fair valuation of Investments

Under Indian GAAP, investments in unquoted and quoted equity shares and debt instrument as investment measured at cost less provision for other than temporary diminution in the value of investments. Under Ind AS, such investments as FVTPL investments and Amortised cost. Ind AS requires FVTPL investments and Amortised cost investments to be measured at fair value. At the date of transition to Ind AS and as on 31 March, 2017, difference between the instrument's fair value and Indian GAAP carrying amount has been recognised in the Retained earning and Statement of Profit and Loss net of related deferred taxes.

- a) On the transition date, Equity and other financial instruments in promoter companies i.e. other than subsidiary companies, have been impaired based on Independent valuer report and adjusted against retained earnings of ₹790.19 Mn
- b) As per requirement of Ind As impairment test should be made at the end of each financial year. Further based on the progress of Investee Company's provision will be adjusted accordingly by taking into account of the progress made by said companies going forward.

14) Fair Valuation of Property, Plant and Equipment

The Group has elected to measure certain items of property, plant and equipment at its fair value and use that value as it deemed cost at the date of transition to Ind as. Others items of property, plant and equipment and other intangible assets have been measured as per Ind As 16 and Ind As 38 respectively. The Fair valuation amount has been adjusted to Consolidated opening retained earnings after considering Non controlling Interest share.(Refer Note No. 3(d))

Notes to Consolidated Financial Statements

for the year ended 31 March, 2018

55. Related party disclosure

A. Names of related parties and related party relationship for the year ended 31 March, 2018

i) List of Key Managerial Personnel	1. Mr Mahendra Agarwal	– Founder & CEO
	2. Mr Bala Subramanian Aghoramurthy	– Deputy Managing Director
	3. Mr Manoj Gupta	– Chief Financial Officer (Appointed w.e.f 06.05.2017)
	4. Mr Amit Pathak	– Company Secretary, Chief Investor relations & Compliance Officer
ii) Relatives of Key Managerial Personnel	1. Mr Dhruv Agarwal	
	2. Mr Manish Agarwal	
iii) Entities in which Significant influence exists	1. TCI Finance Ltd.	
	2. TCI Hi-ways Pvt. Ltd.	
	3. Amrit Jal Ventures Private Ltd.	
	4. Gati Academy	
	5. TCI infrastructure Finance Limited	
	6. Gati infrastructure Sada Mangdar Power Pvt. Ltd.	
	7. Jaldi Traders & Commerce House Pvt. Ltd.	
	8. P D Agarwal Foundation	
	9. Gati Infrastructure Private Limited	
	10. Giri Road lines and Commercial Trading Private Limited	
	11. Share India	
	12. Solaflex Solar Energy Private Limited	
	13. Mandala Agribusiness Investments II Ltd	
	14. TCI Telenet Solutions Pvt Ltd	
	15. Kintentsu World Express (India) Pvt Limited	
iv) Associates	1. Gati Ship Ltd. (Formerly known as Gati Ship Private Limited)	
v) Additional Information as per Ind AS	1. Mr K.L.Chugh	– Chairman
	2. Mr N. Srinivasan	– Director
	3. Dr P.S.Reddy	– Director
	4. Mr Sunil Kumar Alagh	– Director
	5. Mr P.N.Shukla	– Director
	6. Mr Yasuhiro Kaneda	– Director (Appointed w.e.f. 04.11.2016)
	7. Mr Yoshinobu Mitsuhashi	– Director (Resigned w.e.f. 04.11.2016)
	8. Ms Sheela Bhide	– Director

Notes to Consolidated Financial Statements

for the year ended 31 March, 2018

B. Summary of the transactions with related parties :

(In ₹ Mn)

SL. No	Nature of Transaction	Key Managerial Personnel & Relatives		Entities in which Significant influence exists		Total	
		2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
a)	EXPENDITURE						
	Rent						
	TCI Finance Ltd	-	-	0.26	0.26	0.26	0.26
	Giri Roadlines & Commercial Trading Pvt Ltd	-	-	6.06	5.52	6.06	5.52
	Jaldi Traders & commerce house Pvt Ltd	-	-	14.30	13.64	14.30	13.64
	P.D. Agarwal Foundation	-	-	0.72	0.40	0.72	0.40
	TCI Telenet Solutions Pvt Ltd	-	-	3.60	3.56	3.60	3.56
	Mr. Manish Agarwal	1.35	1.36			1.35	1.36
	Freight Expenses						
	TCI Hi-Ways Pvt Ltd	-	-	78.13	68.14	78.13	68.14
	Interest Expenses						
	Mandala Agribusiness Investments II Ltd	-	-	33.34	33.34	33.34	33.34
	Premium on redemption of debenture						
	Mandala Agribusiness Investments II Ltd	-	-	53.39	49.44	53.39	49.44
	Commitment Charges						
	Mandala Agribusiness Investments II Ltd	-	-	-	4.58	-	4.58
	Other expenses						
	Solaflex Solar Energy Private Limited	-	-	3.52	5.12	3.52	5.12
	Donation						
	Share India	-	-	3.60	3.60	3.60	3.60
	Remuneration						
	Mr. Mahendra Agarwal	31.89	33.87	-	-	31.89	33.87
	Mr. Manoj Kumar Gupta	12.45	-	-	-	12.45	-
	Mr. Bala Aghoramurthy	15.54	17.32	-	-	15.54	17.32
	Mr. Sanjeev Kumar Jain	-	7.07	-	-	-	7.07
	Mr. Dhruv Agarwal	5.83	5.95			5.83	5.95
	Mr. Manish Agarwal	2.05	3.37	-	-	2.05	3.37
	Mr. Amit Pathak	3.33	1.92	-	-	3.33	1.92
	Mr. VSN Raju	-	0.58	-	-	-	0.58
	Directors Sitting Fee						
	Mr. K. L. Chugh	0.27	0.31	-	-	0.27	0.31
	Mr. N. Srinivasan	0.37	0.42	-	-	0.37	0.42
	Mr. P. N. Shukla	0.39	0.40	-	-	0.39	0.40
	Dr. P. S. Reddy	0.19	0.35	-	-	0.19	0.35
	Ms. Sheela Bhide	0.63	0.69	-	-	0.63	0.69
	Mr. Sunil Kumar Alagh	0.17	0.27	-	-	0.17	0.27
	Others	0.64	0.78	-	-	0.64	0.78
	Directors Commission						
	Mr. K. L. Chugh (Chairman & Director)	0.50	0.50	-	-	0.50	0.50
	Mr. N. Srinivasan (Director)	0.35	0.35	-	-	0.35	0.35
	Mr. P. N. Shukla (Director)	0.25	0.25	-	-	0.25	0.25
	Dr. P. S. Reddy (Director)	0.25	0.25	-	-	0.25	0.25
	Ms. Sheela Bhide (Director)	0.40	0.55	-	-	0.40	0.55
	Mr. Sunil Kumar Alagh (Director)	0.25	0.25	-	-	0.25	0.25
	Mr. Yasuhiro Kaneda (Appointed w.e.f. 04.11.2016)	0.25	0.10	-	-	0.25	0.10
	Mr. Yoshinobu Mitsuhashi (Resigned w.e.f. 04.11.2016)	-	0.15	-	-	-	0.15
	Others	0.50	1.00	-	-	0.50	1.00
	Manpower Expenses						
	Gati Academy	-	-	130.41	274.12	130.41	274.12
	Purchase of Land						
	PD. Agarwal Foundation	-	-	-	32.00	-	32.00

Notes to Consolidated Financial Statements

for the year ended 31 March, 2018

B. Summary of the transactions with related parties : (contd..)

(In ₹ Mn)							
SL. No	Nature of Transaction	Key Managerial Personnel & Relatives		Entities in which Significant influence exists		Total	
		2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
b) INCOME							
	Freight						
	Kintentsu World Express (India) Pvt Limited	-	-	33.09	40.57	33.09	40.57
Warehouse Income							
	Gati Academy	-	-	1.23	1.23	1.23	1.23
	TCI Hi-Ways Pvt Ltd	-	-	0.37	0.37	0.37	0.37
	Kintentsu World Express (India) Pvt. Limited	-	-	31.06	38.04	31.06	38.04
	Others	-	-	0.25	-	0.25	-
Interest							
	Amrit Jal Ventures Private Ltd	-	-	50.13	50.13	50.13	50.13
	Gati Infrastructure Sada Mangder Private Ltd	-	-	14.40	14.40	14.40	14.40
	TCI Infrastructure Finance Limited	-	-	-	9.90	-	9.90
	Solaflex Solar Energy Private Limited	-	-	0.55	0.20	0.55	0.20
Rent							
	Gati Academy	-	-	0.53	0.53	0.53	0.53
	TCI Finance Limited	-	-	0.24	0.24	0.24	0.24
	TCI Hiways Pvt Ltd	-	-	0.06	-	0.06	-
Management Fee							
	Gati Academy	-	-	0.84	0.84	0.84	0.84
Dividend paid							
	Kintetsu World Express (India) Pvt. Ltd	-	-	5.92	7.92	5.92	7.92

C. Summary of the transactions with related parties :

(In ₹ Mn)										
SL. No	Nature of Transaction	Associates			Entities in which Significant influence exists				Total	
		As at 31 Mar, 2018	As at 31 Mar, 2017	As at 31 Mar, 2016	As at 31 Mar, 2018	As at 31 Mar, 2017	As at 31 Mar, 2016	As at 31 Mar, 2018	As at 31 Mar, 2017	As at 31 Mar, 2016
a)	Investments - Equity									
	TCI Finance Ltd	-	-	-	39.05	39.77	31.05	39.05	39.77	31.05
	Gati Ship Limited	862.30	862.30	862.30	-	-	-	862.30	862.30	862.30
	Gati Ship Limited Provision	(862.30)	(862.30)	(862.30)	-	-	-	(862.30)	(862.30)	(862.30)
	Amrit Jal Ventures Private Ltd --Equity	-	-	-	187.50	187.50	187.50	187.50	187.50	187.50
	Amrit Jal Ventures Private Ltd --Provision	-	-	-	(187.50)	(187.50)	(187.50)	(187.50)	(187.50)	(187.50)
	Investments - Debentures				-	-	-			
	Amrit Jal Ventures Private Ltd---OCD's	-	-	-	345.72	345.72	345.72	345.72	345.72	345.72
	Amrit Jal Ventures Private Ltd - Provision	-	-	-	(345.72)	(345.72)	(345.72)	(345.72)	(345.72)	(345.72)
	Gati Infrastructure Sada Mangder Private Ltd - OCD's	-	-	-	99.34	99.34	99.34	99.34	99.34	99.34
	Gati Infrastructure Sada Mangder Private Ltd - Provision	-	-	-	(99.34)	(99.34)	(99.34)	(99.34)	(99.34)	(99.34)
b)	Sundry Debtors - Trade Receivable				-	-	-			
	Tci Hi Ways Pvt Ltd	-	-	-	0.04	0.04	-	0.04	0.04	-
	Gati Academy	-	-	-	0.33	-	3.97	0.33	-	3.97
	Solaflex Solar Energy Private Ltd	-	-	-	1.23	0.40	-	1.23	0.40	-
	Kintentsu World Express (India) Pvt Limited	-	-	-	23.92	12.44	23.95	23.92	12.44	23.95
	Sundry Debtors - Other Receivable									
	Amrit Jal Ventures Private Ltd	-	-	-	226.89	176.76	131.64	226.89	176.76	131.64
	Gati Infrastructure Sada Mangder Private Ltd	-	-	-	53.35	38.95	25.99	53.35	38.95	25.99
	Provision Interest Receivable Amrit Jal Ventures Private Ltd	-	-	-	(226.89)	(176.76)	(131.64)	(226.89)	(176.76)	(131.64)

Notes to Consolidated Financial Statements

for the year ended 31 March, 2018

C. Summary of the transactions with related parties : (contd..)

(In ₹ Mn)

SL. No	Nature of Transaction	Associates			Entities in which Significant influence exists			Total	
		As at 31 Mar, 2018	As at 31 Mar, 2017	As at 31 Mar, 2016	As at 31 Mar, 2018	As at 31 Mar, 2017	As at 31 Mar, 2016	As at 31 Mar, 2017	As at 31 Mar, 2016
	Provision Interest Receivable- Gati Infrastructue Sada Mangder Pvt Ltd	-	-	-	(53.35)	(38.95)	(25.99)	(53.35)	(38.95)
	TCI Highways Private Ltd	-	-	-	0.06	-	-	0.06	-
	Gati Academy	-	-	-	0.37	-	4.90	0.37	4.90
	TCI Finance Ltd	-	-	-	0.48	0.31	0.06	0.48	0.31
	TCI Infrastructure Finance Limited	-	-	-	-	-	39.00	-	39.00
c)	Loans & Advances - Given				-	-	-		
	Jaldi Traders & Commerce House Private Ltd	-	-	-	66.64	72.64	74.89	66.64	72.64
	TCI Highways Private Ltd	-	-	-	208.14	208.14	208.14	208.14	208.14
	TCI Infrastructure Finance Limited	-	-	-	-	-	82.50	-	82.50
d)	Deposit (Given)				-	-	-		
	Solaflex Solar Energy Private Limited	-	-	-	7.57	7.20	-	7.57	7.20
	Jaldi Traders & Commerce House Pvt Ltd	-	-	-	15.87	15.87	15.87	15.87	15.87
	TCI Telenet Solutions Pvt Ltd	-	-	-	1.80	1.80	1.80	1.80	1.80
e)	Long term Borrowings								
	Mandala Agribusiness Investments II Ltd				720.78	667.51	618.56	720.78	667.51
f)	Sundry Creditors								
	Gati Ship Limited	25.70	-	-	-	-	-	25.70	-
	TCI Hi-Ways Pvt Ltd	-	-	-	4.69	2.33	9.69	4.69	2.33
	Share India	-	-	-	0.30	-	-	0.30	-
	TCI Finance Ltd	-	-	-	0.10	-	-	0.10	-
	Giri Road lines and Commercial Trading Pvt Ltd	-	-	-	0.13	-	-	0.13	-
g)	Deposit and Advance (Taken)								
	Gati Academy	-	-	-	-	9.00	31.21	-	9.00
	P D Agarwal Foundation	-	-	-	25.00	27.50	22.50	25.00	27.50
h)	Corporate Guarantees given								
	Gati Infrastructure Private Limited	-	-	-	236.00	236.00	236.00	236.00	236.00

56 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 .

57 Advance receivable includes ₹ 41 Mn due from Air India Limited .The matter was referred to arbitration of the arbitral tribunal and the arbitral tribunal passed an award dated 17th September 2013 , directing Air India Limited to pay an amount of ₹266 Mn to the company and to pay interest @18 % per annum on the awarded amount .Air India preferred an application before the Hon'ble Delhi High court seeking setting aside of award who directed Air India to deposit ₹225 Mn which as been paid to the company ,pending adjudication of Cross Appeals before the Division Bench of the said Hon'ble High Court at New Delhi. Necessary adjustments, if any, will be made in the accounts upon the decision of the Hon'ble High Court of New Delhi. In the circumstances , the dues from air India limited of ₹. 41 Mn included in advances receivable are considered good for recovery by the management.

58 Foreign Currency Convertible Bonds :

On December 12, 2011, the Company issued 22,182 Zero Coupon Unsecured Foreign Currency Convertible Bonds (FCCBs) of US\$ 1,000 each for an amount of US\$ 22.18 Mn at an redemption price of 132.8341 percent of principal amount. On 14 June, 2017 and 08th August 2017, the Company allotted 1,98,74,225 equity shares of ₹2/- each against 14,654 FCCBs as per settlement agreement with FCCB holders (Allotment price per share is ₹38.52/- at an exchange rate of ₹52.2285/\$)and the balance 7,528 FCCBs has been redeemed for an amount of ₹643.70 Mn as on 14 June, 2017. Expenses related to the issue of shares amounting to ₹29.56 Mn have been adjusted against Securities Premium. Further liability no longer required against FCCBs and the gain of ₹487.43Mn (Foreign exchange gain of ₹178.20 Mn and Redemption premium part ₹309.20 Mn) recognised due to conversion of FCCBs into equity shares.

As per IND AS- 32, Foreign currency convertible bonds (FCCB's) are treated as a compound Financial instrument, which requires segregation of liability and equity component. Therefore, the reserve has been created for equity component which is being utilised at the time of redemption/ conversion and transferred to the free reserves of Other Equity.

Notes to Consolidated Financial Statements

for the year ended 31 March, 2018

59 The remuneration paid to the Executive Chairman of a subsidiary company (Gati-Kintetsu Express Private limited) during the year ended 31 March, 2018 has exceeded the limit prescribed under section 197 of the Companies act, 2013, by ₹7.79 Mn (previous year ₹6.30 Mn). The Company has filed application / made further representation to the Central Government for the waiver of above excess remuneration and pending receipt of the approval, no adjustments to financial results have been made.

60 During the year ended 31 March, 2018, management of Gati Kausar India Limited has 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, Gati Kausar India Limited has not drawdown the committed loan aggregating to ₹610 Mn 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, the management of Gati Kausar has considered a provision of ₹3.05 Mn to be adequate to meet its obligation and is confident that no further financial obligations would dwell on the Company.

61. The Subsidiary Companies considered in the Financial Statements are as follows:

Sl. No.	Name of the subsidiary	Country of Incorporation	% Voting Power as at 31 March, 2018	% Voting Power as at 31 March, 2017
1	Gati Asia Pacific Pte Ltd.	Singapore	100%	100%
2	Gati Hong Kong Ltd.	Hong Kong	100%	100%
3	Gati Cargo Express (Shanghai) Co. Ltd.	China	100%	100%
4	Gati (Thailand) Co. Ltd.	Thailand	49%	49%
5	Gati-Kintetsu Express Pvt. Ltd.	India	70%	70%
6	Gati Kausar India Ltd.	India	79.86%	79.86%
7	Gati Import Export Trading Ltd.	India	100%	100%
8	Zen Cargo Movers Pvt Ltd.	India	100%	100%
9	Gati Logistics Parks Pvt. Ltd.	India	100%	100%
10	Gati Projects Pvt. Ltd.	India	100%	100%

62. Additional Information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary

Name of the Enterprise		2017-18							
		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		89.50%	7,540.13	100.70%	344.70	-2%	2.44	143%	347.14
Subsidiaries									
Indian									
1. Gati-Kintetsu Express Pvt. Ltd.		42.99%	3,621.77	90.47%	309.69	-1%	0.65	127%	310.33
2. Gati Kausar India Ltd.		-2.90%	(244.74)	-65.09%	(222.83)	-1%	0.63	-91%	(222.20)
3. Gati Import Export Trading Ltd.		0.57%	47.63	0.60%	2.04	0%	-	1%	2.04
4. Zen Cargo Movers Pvt. Ltd.		-0.05%	(3.90)	0.52%	1.79	0%	-	1%	1.79
5. Gati Logistics Parks Pvt. Ltd.		0.25%	21.43	-5.01%	(17.17)	0%	-	-7%	(17.17)
6. Gati Projects Pvt. Ltd.		0.00%	0.10	0.00%	-	-	-	-	-
Foreign									
1. Gati Asia Pacific Pte Ltd.		0.44%	37.04	22.33%	76.44	104%	(102.57)	-11%	(26.13)
Sub total			11,019.47		494.68		(98.85)		395.82
Inter company Elimination and consolidation adjustment		-44.33%	(3,734.70)	-30.26%	(103.60)	0%	-	-43%	(103.60)
Total			7,284.77		391.08		(98.85)		292.22
Minority interest in all subsidiaries		13.53%	1,140.24	-14.24%	(48.75)	0%	0.09	-20%	(48.66)
Grand total		100.00%	8,425.01	100.00%	342.32	100%	(98.76)	100%	243.56

Notes to Consolidated Financial Statements

for the year ended 31 March, 2018

63. Employee share based payments:

Details of grants under various series are summarised below

S.No.	Description	Year ended 31 March, 2018			Year ended 31 March, 2017		
		ESOS-2001	ESOS-2006	ESOS-2007	ESOS-2001	ESOS-2006	ESOS-2007
1	Date of shareholders' approval	17.10.2001	11.10.2006	13.10.2007	17.10.2001	11.10.2006	13.10.2007
2	Total number of options approved under ESOS	32,17,500	17,82,500	17,55,720	32,17,500	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 31 March, 2018			Year ended 31 March, 2017		
		ESOS-2001	ESOS-2006	ESOS-2007	ESOS-2001	ESOS-2006	ESOS-2007
1	Number of options outstanding at the beginning of the year (un-granted)	Nil	5,49,893	9,30,350	Nil	9,54,893	7,04,780
2	Number of options granted during the year	Nil	Nil	Nil	Nil	4,35,000	Nil
3	Number of options forfeited/ lapsed during the year	Nil	41,095	28,700	Nil	30,000	2,25,570
4	Number of options vested during the year	Nil	Nil	2,90,516	38,243	1,15,807	3,05,067
5	Number of options exercised during the year	Nil	Nil	2,90,516	38,243	1,15,807	3,05,067
6	Number of shares arising as a result of exercise of options	Nil	Nil	2,90,516	38,243	1,15,807	3,05,067
7	Amount realized by exercise of options (₹)	Nil	Nil	1,73,17,134	10,70,804	32,42,596	1,90,41,862
8	Loan repaid by the Trust during the year from exercise price received	NA	NA	NA	NA	NA	NA
9	Number of options outstanding at the end of the year (out of total number of options approved under ESOS)	Nil	5,90,988	9,59,050	Nil	5,49,893	9,30,350
10	Number of options exercisable at the end of the year (out of total number of options approved under ESOS)	Nil	3,93,905	2,01,087	Nil	4,35,000	5,20,303

Notes to Consolidated Financial Statements

for the year ended 31 March, 2018

63. Employee share based payments: (contd..)

S.No.	Stock Options granted on	Weighted average exercise price (in ₹)	Weighted average Fair value (in ₹)	Expected Volatility (%)	Expected Dividend (%)	Life of Options granted (Years)	Risk free interest rate (%)
11	06.02.2014	45.6	69.5	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	103.4	137.94	0.72%	0.81%	4	8%
12	Employee wise details of options granted to						
	a. Key managerial personnel	Nil	Nil	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	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	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	8.00%			8.00%		
	(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					
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					

Notes to Consolidated Financial Statements

for the year ended 31 March, 2018

64. Previous GAAP figures have been reclassified/ regrouped to conform to the presentation requirements under IND AS and the requirements laid down in Division-II to the Schedule-III of the Companies Act, 2013.

65. The financial statement are approved for issue by the Audit Committee at its meeting held on 28 May, 2018 and by the Board of Directors at its meeting held on 29 May, 2018.

As per our report of even date

For and on behalf of the Board of Directors

For Singhi & Co.

Chartered Accountants

Firm Registration No: 302049E

Anurag Singhi

Partner

Membership no: 066274

Place: Kolkata

Date: 29 May, 2018

K L Chugh

Chairman

DIN: 00140124

Manoj Gupta

Chief Financial Officer

Mahendra Agarwal

Founder & CEO

DIN: 00179779

N. Srinivasan

Director

DIN: 00004195

Amit Pathak

Company Secretary

M No: A19971

Place: New Delhi

Date: 29 May, 2018

Statement containing salient features of the financial statements of subsidiaries/ associate companies

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	Provision for taxation	Profit after taxation	Proposed Dividend	(In ₹ Mn) % of shareholding
1	Gati Asia Pacific Pte Ltd.	April-March	SGD = INR 49.5168	439.01	(439.22)	1.46	1.67	76.00	5.67	(10.92)	-	(10.92)	-	100% held by Parent
2	Gati Hong Kong Ltd.	April-March	HKD = SGD 0.16695	28.48	(28.84)	0.65	1.00	-	40.23	23.61	-	23.61	-	100% held by GAP
3	Gati Cargo Express (Shanghai) Co. Ltd.	April-March	RMB = SGD 0.20857	96.68	(34.23)	103.80	41.35	-	742.19	53.84	-	53.84	-	100% held by GAP
4	Gati (Thailand) Co. Ltd.	April-March	THB = SGD 0.04191	10.37	(42.51)	4.26	36.39	-	99.03	9.91	-	9.91	-	49% held by GAP
5	Gati-Kintetsu Express Pvt. Ltd.	April-March	INR	5.00	3.616.77	6,459.31	2,837.53	-	11,694.69	400.54	0.00	309.69	-	70% held by Parent
6	Gati Kausar India Ltd.	April-March	INR	65.26	(310.00)	764.08	1,008.82	-	389.63	(222.83)	-	(222.83)	-	79.86% held by Parent
7	Gati Import Export Trading Ltd.	April-March	INR	23.00	24.63	248.06	200.43	-	793.07	2.42	0.00	2.04	-	100% held by Parent
8	Zen Cargo Movers Pvt Ltd.	April-March	INR	3.62	(7.52)	4.36	8.26	-	5.40	1.50	(0.00)	1.79	-	100% held by Parent
9	Gati Logistics Parks Pvt. Ltd.	April-March	INR	0.10	21.33	200.23	178.80	-	-	(17.17)	-	(17.17)	-	100% held by Parent
10	Gati Projects Pvt. Ltd.	April-March	INR	0.10	-	0.24	0.14	-	-	-	-	-	-	100% held by Parent

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.

PART "B": Associates and Joint Ventures

Sl. No.	Name of the Associate/ Joint Venture	Latest audited Balance Sheet date	Shares of Associate/ the company on the year end	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	Profit/loss for the year Considered in consolidation	Not considered in consolidation
1	Gati Ship Ltd.	31 March, 2018	48,00,000	862.30	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.	35.43	(0.23)	(0.23)

Note: 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.

Notes

[illegible]

Notes

[illegible]

GATI Limited

CIN: L63011TG1995PLC020121

Registered office: Plot no. 20, Survey no.12, Kothaguda, Kondapur,Hyderabad – 500 084.
Tel: 040 71204284, Fax: 040 23112318, Email: investor.services@gati.com, Website: www.gati.com

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member	
Registered Address	
E Mail Id	
Folio No/Client ID	
DP ID	

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

Name of the Proxy	
Address	
E Mail Id	
Signature	

or failing him/her

Name of the Proxy	
Address	
E Mail Id	
Signature	

or failing him/her

Name of the Proxy	
Address	
E Mail Id	
Signature	

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 23rd Annual General Meeting of the Company, to be held on Tuesday, September 18, 2018, at 03.00 p.m. at registered office of the Company situated at Plot No. 20, Survey No. 12, Kothaguda, Kondapur, Hyderabad, Telangana - 500084 and at any adjournment thereof in respect of such resolutions as are indicated below:

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

Resolutions	For	Against	Abstain
Ordinary Business:			
1. Adoption of audited financial statements of the Company for the financial year ended March 31, 2018, the reports of the Board of Directors and Independent Auditor's thereon.			
2. Adoption of audited consolidated financial statements of the Company for the financial year ended March 31, 2018 and the reports of the Independent Auditors thereon.			
3. Declaration of dividend on equity shares			
4. Re-appointment of Mr.Yasuhiro Kaneda (DIN: 07619127) as Director			
Special Business:			
5. Appointment of Branch Auditor			

Signed this.....day of.....2018

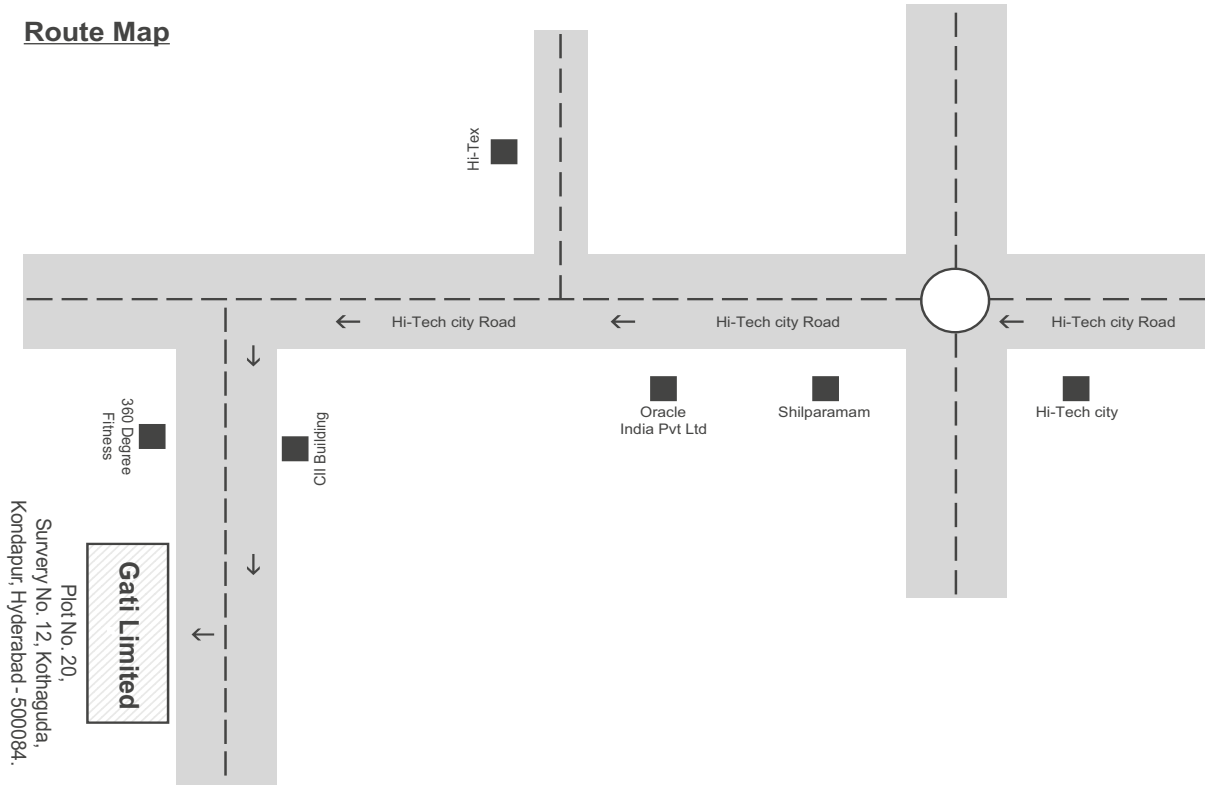
Affix
Revenue
Stamp

Signature of shareholder

Notes:

- (1) This form of proxy in order to be effective should be duly completed and deposited at the registered office of the Company not less than 48 hours before the commencement of the meeting.
- (2) A Proxy need not to be a member of the Company.
- (3) Please put a 'X' in the Box in the appropriate column against the respective resolution. If you leave the 'For', 'Against' or 'Abstain' column blank against any or all the resolutions, your proxy will be entitled to vote in the manner as he/she think appropriate.

Route Map





Registered Office and Corporate Office

Gati Limited

Plot No. 20, Sy. No. 12, Kothaguda, Kondapur,
Hyderabad - 500 084, Telangana, India.

Tel: (040) 7120 4284, Fax: (040) 2311 2318

Email: investor.services@gati.com

Website: www.gati.com

CIN: L63011TG1995PLC020121