
INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF GATI LOGISTICS PARKS PRIVATE LIMITED.

REPORT ON THE IND AS FINANCIAL STATEMENTS

We have audited the accompanying financial statement of **Gati Logistics Parks Private Limited** ("the Company"), which comprise the Balance sheet as at 31st March, 2018, the Statement of Pre-operative Expenses (including other comprehensive income), the Statement of Cash Flow and the statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these 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, read with relevant rules issued thereunder.

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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

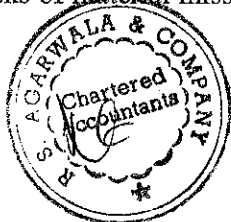
Auditor's Responsibility

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

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

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 Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

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

Opinion:

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 31st March, 2018 and its Loss (including other comprehensive income), its Cash flow and the changes in equity for the year ended on that date.

Report on Other legal and Regulatory Requirements:

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, (hereinafter referred to as the "order"), and on the basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure "A", a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we report that:
 - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) the Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Cash Flow and the Statement of changes in equity dealt with by this Report are in agreement with the books of account.
 - d) in our opinion, the aforesaid financial statements comply with the Accounting Standards Specified under Section 133 the Act, read with Rule 7 of the Companies (Accounts) Rule, 2014(as amended) .
 - e) on the basis of written representations received from the directors as on 31st March 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018, from being appointed as a director in terms of section 164(2) of the Act.

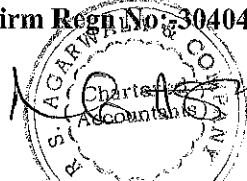


R. S. Agarwala & Co.
Chartered Accountants

28, Black Burn Lane
3rd Floor, Kolkata-700 012
Telephone:- (033) 2237 0741
(033) 2237 7682
email:- rsagarwalaco@gmail.com

- f) with respect to the adequacy of the internal financial control over financial reporting of the company as at 31st March, 2018, refer to our separate report in Annexure "B".
- g) with respect to other matter to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules 2014, in our opinion and to the best of our information and according to the explanations given to us :
- i) The Company does not have any pending litigation which would impact its financial positions.
 - ii) The Company did not have any long term contracts including derivative Contracts for which there were any material foreseeable losses.
 - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv) The disclosures in the 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 R.S. Agarwala & Co.
Chartered Accountants
Firm Regn No: 304045E



(R. S. Agarwala)
Partner

Membership No.005534

Place:- Hyderabad
Date: 28 May, 2018

Annexure "A" to Independence Auditors' Report of even date to the members of Gati Logistics Parks Private Limited, on the Ind AS financial statement for the year ended 31st March, 2018.

Referred to in paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date.

1. a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

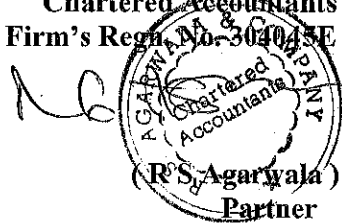
b) We are informed that a test of physical verification of these assets was carried out by the management at reasonable intervals and no material discrepancies were noticed. In our opinion, the frequency of verification of fixed assets is reasonable having regards to the size of the Company and nature of its assets.

c) The titles deeds of all the immovable properties, as disclosed in the Ind AS financial statements, are held in the name of the Company.
2. There is no inventory held by the company during the year. Therefore, the provisions of Clause 3 (ii) of the said order are not applicable.
3. The Company has not granted any loans, secured or unsecured, to Companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Therefore, the provisions of Clause 3 (iii) of the said order are not applicable.
4. The Company has not granted any loans or made any investments, or provided any guarantees or security to the parties covered under section 185 and 186 of the Act. Therefore, the provisions of Clause 3(iv) of the said order are not applicable.
5. The Company has not accepted any deposits from the public.
6. The Central Government has not prescribed maintenance of cost records under sub-section (1) of section 148 of the Act in respect of any activities of the Company.
7. (a) According to the information and explanation given to us and records of the Company examined by us, in our opinion the Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, service tax, custom duty, excise duty, value added tax, goods and service tax, cess and any other statutory dues to the appropriate authorities.
(b) According to the information and explanation given to us and the record of the company examined by us, there are no statutory dues as at the year end which has not been deposited on account of a dispute.



8. According to the records of the company examined by us and the information and explanations given to us, the company has not taken any loans or borrowings from any financial institutions or bank or Government during the year. The company has not issued any debentures. Therefore, the provisions of Clause 3 (viii) of the said order are not applicable
9. The company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Therefore the provisions of Clause 3(ix) of the said order are not applicable to the company.
10. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud by the company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such cases by the management during the course of our audit.
11. The company has not paid /provided for managerial remuneration under the provisions of section 197 read with schedule V to the Act. Therefore the provisions of Clause 3(ix) of the said order are not applicable to the company.
12. The company is not a Nidhi Company.
13. 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.
14. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Therefore, the provisions of Clause 3 (xiv) of the order are not applicable.
15. The Company has not entered into any non-cash transactions with its directors or persons connected with him. Therefore, the provisions of Clause 3 (xv) of the order are not applicable.
16. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

Place: - Hyderabad
Date:- 28 May, 2018

For R S Agarwala & Co.
Chartered Accountants
Firm's Regn. No. 304025E

Membership No.005534

Annexure B to The Independent Auditors' Report

Referred to in paragraph 2(f) of the Independent Auditors' Report of even date to the members of **Gati Logistics Parks Private Limited** on the Ind AS financial statements for the year ended 31st March, 2018

Report on the Internal Financial Controls under Clause (i) of sub-section 3 of Section 143 of the companies Act, 2013.

We have audited the internal financial controls over financial reporting of **Gati Logistics Parks Private Limited** ("the Company") as of 31st March, 2018 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal controls 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.

Auditors' Responsibility

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

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

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



R. S. Agarwala & Co.
Chartered Accountants

28, Black Burn Lane
3rd Floor, Kolkata-700 012
Telephone:- (033) 2237 0741
(033) 2237 7682
email:- rsagarwalaco@gmail.com

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st 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.

Place :- Hyderabad
Date:- 8 May, 2018

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



Membership No.005534

GATI LOGISTICS PARKS PRIVATE LIMITED
CIN : U63030TG2011PTC072285

Balance Sheet as at March 31, 2018

Amount ₹

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
I) ASSETS				
1) NON CURRENT ASSETS				
a) Property, plant and equipment	2	199,855,600	189,531,000	189,531,000
b) Other Non current assets	3	230,169	212,469	165,144
		200,085,769	189,743,469	189,696,144
2) CURRENT ASSETS				
a) Financial assets				
(i) Cash and cash equivalents	4	146,427	399,927	448,239
		146,427	399,927	448,239
TOTAL ASSETS		200,232,196	190,143,396	190,144,383
II) EQUITY AND LIABILITIES				
1) EQUITY				
a) Equity Share Capital	5	100,000	100,000	100,000
b) Other Equity	6	21,334,913	35,791,738	51,073,638
TOTAL EQUITY		21,434,913	35,891,738	51,173,638
2) LIABILITIES				
i) NON-CURRENT LIABILITIES				
a) Financial liabilities				
(i) Borrowings	7	178,741,787	154,208,262	138,926,362
		178,741,787	154,208,262	138,926,362
ii) CURRENT LIABILITIES				
a) Financial liabilities				
(i) Other current financial liabilities	8	55,496	43,396	44,383
		55,496	43,396	44,383
TOTAL LIABILITIES		178,797,283	154,251,658	138,970,745
TOTAL EQUITY AND LIABILITIES		200,232,196	190,143,396	190,144,383
Summary of Significant Accounting Policies	1			

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 R.S. Agarwala & Co.

Chartered Accountants

Firm Registration No : 30408

R.S. Agarwala
R.S. Agarwala
Partner
Membership No. 005534
Camp: Hyderabad
Date: 28 May, 2018



Nirmal Kumar Pandey
Nirmal Kumar Pandey
Director
DIN: 00415818

Peter H. Jayakumar
Peter H. Jayakumar
Director
DIN: 00415883

GATI LOGISTICS PARKS PRIVATE LIMITED
CIN : U63030TG2011PTC072285

Statement of Profit and Loss for the year ended March 31, 2018

Particulars	Notes	Amount ₹	
		2017-18	2016-17
I) Income			
Revenue from Operations		-	-
Other Income		-	-
Total Income (I)		-	-
II) Expenses			
Finance Costs	9	17,165,529	15,281,900
Total Expenses (II)		17,165,529	15,281,900
III) Profit before Taxation (I-II)		(17,165,529)	(15,281,900)
IV) Tax Expenses			
Current Tax		-	-
Deferred Tax		-	-
Earlier years		-	-
Total Tax Expenses (IV)		-	-
V) Profit for the year (III-IV)		(17,165,529)	(15,281,900)
VI) Other Comprehensive Income (OCI)			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Re-Measurement gains/(losses) on defined benefit plans		-	-
Income tax effect on above		-	-
Other Comprehensive Income for the year, net of tax		-	-
VII) Total Comprehensive Income for the year (V+VI)		(17,165,529)	(15,281,900)
Earnings per share - Basic and Diluted (in INR)		(1,717)	(1,528)
Summary of Significant Accounting Policies	1.1		

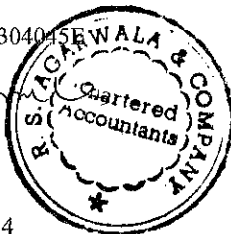
The accompanying notes are an integral part of the Financial Statements

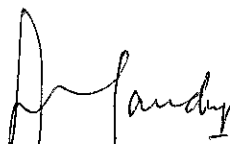
As per our report of even date

For and on behalf of the Board of Directors

For R.S. Agarwala & Co.
Chartered Accountants
Firm Registration No : 304045

R.S. Agarwala
Partner
Membership No. 005534
Camp: Hyderabad
Date: 28 May, 2018




Nirmal Kumar Pandey
Director
DIN: 00415818


Peter H Jayakumar
Director
DIN: 00415883

GATI LOGISTICS PARKS PRIVATE LIMITED
CIN : U63030TG2011PTC072285

Statement of Changes in Equity for the year ended March 31, 2018

A) Equity Share Capital		Amount ₹
Balance as at 1st April, 2016		100,000
Add/(Less): Changes in Equity Share Capital during the year		-
Balance at March 31, 2017		100,000
Add/(Less): Changes in Equity Share Capital during the year		
Balance at March 31, 2018		100,000

B) Other Equity		Amount ₹	
Particulars	Reserves and Surplus		Total
	Equity Reserve	Retained Earnings	
Balance at April 1, 2016	51,073,638	-	51,073,638
Profit for the year	-	(15,281,900)	(15,281,900)
Balance at March 31, 2017	51,073,638	(15,281,900)	35,791,738
Profit for the year	2,708,704	(17,165,529)	(14,456,825)
Balance at March 31, 2018	53,782,341	(32,447,429)	21,334,913

The accompanying notes are an integral part of the Financial Statements

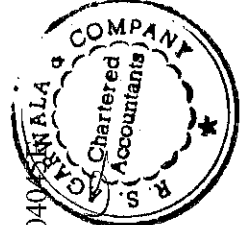
As per our report of even date

For **R.S. Agarwala & Co.**
Chartered Accountants
Firm Registration No : 3040

R.S. Agarwala

R.S. Agarwala
Partner

Membership No. 005534
Camp: Hyderabad
Date: 28 May, 2018



For and on behalf of the Board of Directors

Nirmal Kumar Pandey
Nirmal Kumar Pandey
Director

Peter H. Jayakumar
Peter H. Jayakumar
Director

DIN: 00415818

DIN: 00415818

GATI LOGISTICS PARKS PRIVATE LIMITED

SIGNIFICANT ACCOUNTING POLICIES

1) Corporate and general information:

GATI LOGISTICS PARKS PRIVATE LIMITED ("the Company") is a private company incorporated in 2011 having its registered office at 1-7-293, First Floor, M.G.Road, Secunderabad - 500003 Telangana, India. The company is a 100% subsidiary of Gati Limited a listed entity. The Company has plans to set up a Logistics park.

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 for all periods up to and including the year ended March 31, 2017 were prepared in accordance with 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 31st 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 1st 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 11(iv). Certain of the Company's Ind-AS accounting policies used in the opening Balance Sheet differed from its Indian GAAP policies applied as at 31st March, 2016 and accordingly the adjustments were made to restate the opening balances as per Ind-AS. The financial statements of the Company for the year ended 31st March, 2018 have been approved by the Board of Directors in their meeting held on 28th May, 2018.

2.2 Basis of Measurement

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

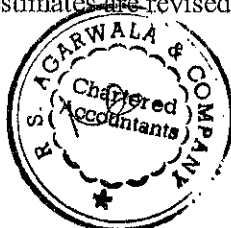
- Financial Instruments - Measured at Fair value/ Amortised cost;

2.3 Functional and Presentation Currency

All financial information presented in Indian rupees (INR) which is the Company's functional currency.

2.4 Use of Estimates and Judgements

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses and the accompanying disclosures, and the disclosures of contingent liabilities. Estimates and underlying assumptions are reviewed on an ongoing basis. Uncertainty about these assumptions and estimates 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.



Two handwritten signatures in black ink, one on the left and one on the right, positioned below the stamp.

Critical accounting estimates and judgments are as:

- (i) Recognition and measurement of provisions and contingencies
- (ii) Fair value measurement of Financial instruments

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
- 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.

3) 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.

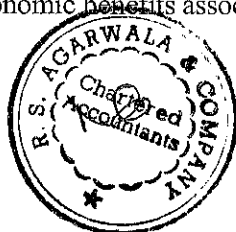
3.1 Property, plant and equipment

3.1.1 Recognition and Measurement:

- Property, plant and equipment (PPE) held for use in the production or/and 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/cenvat/duties credits availed), 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.

3.1.3 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



A handwritten mark or signature, possibly a stylized "D" or a similar character.

A handwritten signature in cursive script.

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.

3.1.4 Depreciation and Amortisation:

- Freehold land is not depreciated.
- Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted, if appropriate.

3.1.5 Disposal of Assets:

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between net disposal proceeds and the carrying amount of the asset and is recognized in the statement of profit and loss.

4.1. 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 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.

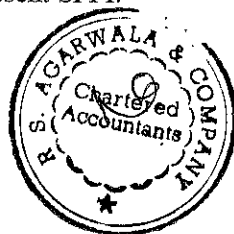
The effective interest rate (EIR) amortization is included in finance income in the Statement of Profit and Loss. This category generally applies to long-term deposits and long-term trade receivables.

▪ 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.



Two handwritten signatures in black ink, one on the left and one on the right, appearing to be initials or names.

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.

(ii) **Financial Liability:**

Financial liabilities are classified and measured at amortised cost or FVTPL

a) **Initial Recognition & Subsequent measurement:**

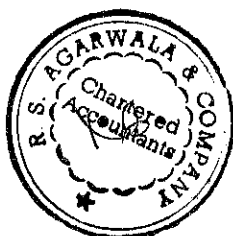
▪ **Financial liabilities through fair value through profit or loss (FVTPL):**

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.

▪ **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.



[Handwritten signatures]

iii) **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.

4.2. **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).

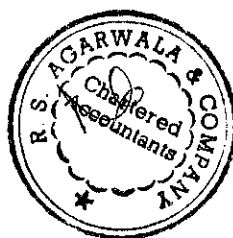
For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

4.3. **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.

4.4. **Provisions and Contingencies:**

Provisions are recognised when the Company has a present obligation (legal or constructive) 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.



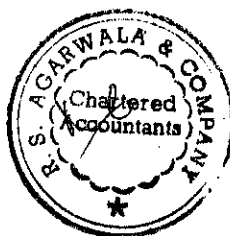
Two handwritten signatures in black ink, one appearing to be a stylized 'A' and the other a more complex signature.

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.

4.5. 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.



A handwritten signature in black ink, consisting of a stylized, cursive script.

A second handwritten signature in black ink, also in a stylized, cursive script.

Notes to Standalone Financial Statements for the period ended 31st March, 2018

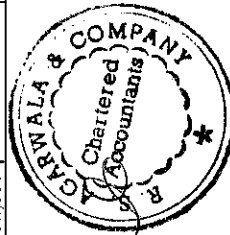
2. Property Plant & Equipment

Amount ₹

Particulars	Gross Carrying Value			Depreciation/Amortisation				Net Carrying Value As at 31.3.18	
	As at 1.04.17	Additions	Sale/Disposal	As at 31.3.18	As at 1.04.17	Additions	Sale/Disposal		Eliminated on disposal of assets
Land & Land Developments	189,531,000	10,324,600		199,855,600	-				199,855,600
Grand Total	189,531,000	10,324,600	-	199,855,600	-	-	-	-	199,855,600

Amount ₹

Particulars	Net Value As at 1.04.16	Gross Carrying Value			Depreciation/Amortisation			Net Carrying Value As at 31.3.17
		As at 1.04.16	IND AS Adjustments	Sale/Disposal	As at 1.04.16	For the year	Eliminated on disposal of assets	
Land & Land Developments	189,531,000	-		189,531,000	-		-	189,531,000
Total	189,531,000	-	-	189,531,000	-	-	-	189,531,000



(Handwritten signature)

(Handwritten signature)

Notes on Standalone Financial Statements for the year ended 31st March 2018

	Amount ₹					
3 Other Non current assets	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
Others (Pre Operative Expenses)	230,169		212,469		165,144	
	<u>230,169</u>		<u>212,469</u>		<u>165,144</u>	
4 Cash & Cash Equivalents	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
Balance with Banks:						
- In Current Accounts	146,427		399,927		448,239	
	<u>146,427</u>		<u>399,927</u>		<u>448,239</u>	
5 Equity Share Capital	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	Number	Amount	Number	Amount	Number	Amount
Authorized:						
Equity Shares of ₹ 10/- each	10,000	<u>100,000</u>	10,000	<u>100,000</u>	10,000	<u>100,000</u>
		<u>100,000</u>		<u>100,000</u>		<u>100,000</u>
Issued:						
Equity Shares of ₹ 10/- each fully paid up	10,000	<u>100,000</u>	10,000	<u>100,000</u>	10,000	<u>100,000</u>
		<u>100,000</u>		<u>100,000</u>		<u>100,000</u>
Subscribed and Paid-up:						
Equity Shares of ₹ 10/- each fully paid up	10,000	<u>100,000</u>	10,000	<u>100,000</u>	10,000	<u>100,000</u>
	<u>10,000</u>	<u>100,000</u>	<u>10,000</u>	<u>100,000</u>	<u>10,000</u>	<u>100,000</u>

a) There has been no change/movements in number of shares outstanding at the beginning and at the end of the reporting period.

b) **Terms /Rights attached to Shareholders**

The Company has only one class of issued shares i.e. Equity Shares having par value of Rs.10 per share. Each holder of Equity Shares is entitled to one vote per share and equal right for dividend. 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.

c) Gati Limited is the Holding Company of this Company.

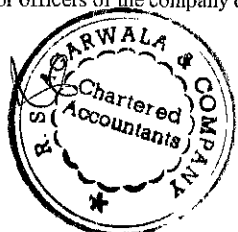
d) Details of shareholders holding more than 5% shares in the Company:

Equity Shares of Rs. 10 each fully paid	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	No. of Shares	% Holding	No. of Shares	% Holding	No. of Shares	% Holding
Gati Limited, the holding company and its n	10,000	100%	10,000	100%	10,000	100%

e) No Equity Shares have been reserved for issue under options and contracts/commitments for the sale of shares/disinvestment as at the Balance Sheet date.

f) 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.

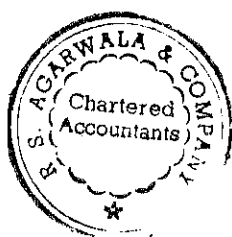
g) No calls are unpaid by any directors or officers of the company during the year.



6 <u>Other Equity</u>	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
a) Equity Capital Reserve			
Balance at the beginning and at the end of the year	53,782,341	51,073,638	51,073,638
	<u>53,782,341</u>	<u>51,073,638</u>	<u>51,073,638</u>
b) Surplus in the Statement of Profit and Loss			
As per last Financial Statement	(15,281,900)	-	
Add: Profit for the period	(17,165,529)	(15,281,900)	
	<u>(32,447,429)</u>	<u>(15,281,900)</u>	-
Less: Transfer to General Reserve	-	-	
Retained Savings (Net of Tax)	<u>(32,447,429)</u>	<u>(15,281,900)</u>	-
	<u>21,334,913</u>	<u>35,791,738</u>	<u>51,073,638</u>

7 <u>Borrowings</u>	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	Non - Current	Current Maturities	Non - Current	Current Maturities	Non - Current	Current Maturities
Unsecured						
i) Loan from Holding Company - Gati Ltd	178,741,787	-	154,208,262	-	138,926,362	-
	<u>178,741,787</u>	<u>-</u>	<u>154,208,262</u>	<u>-</u>	<u>138,926,362</u>	<u>-</u>

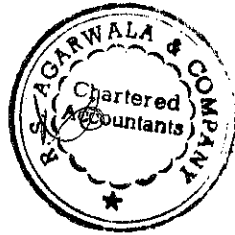
8 <u>Other Current Financial Liabilities</u>	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Audit Fees Payable	34,950	27,250	17,175
Payable to Gati Ltd, the holding company	16,146	16,146	16,146
Others	4,400	-	11,062
	<u>55,496</u>	<u>43,396</u>	<u>44,383</u>






Notes on Standalone Financial Statements for the year ended 31st March 2018

	Amount ₹	
	For the year ended March 31, 2018	For the year ended March 31, 2017
9 Finance Cost		
Interest Expenses		
On Term Loans	-	-
On Working Capital Loans	-	-
Other Financial Charges (Ind AS Adjustment)	17,165,529	15,281,900
	<u>17,165,529</u>	<u>15,281,900</u>



A handwritten signature in black ink, appearing to be a stylized "J" or similar character.

A handwritten signature in black ink, appearing to be a stylized "M" or similar character.

Notes on Standalone Financial Statements for the year ended 31st March 2018

10 RELATED PARTY DISCLOSURES

Related Parties with whom transactions have taken place during the year

Holding Company

GATI Limited

Summary of closing balances with related parties:

Nature of transactions	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
a) Advances taken	16,146	16,146	16,146
b) Long term Borrowings	200,076,700	19,000,000	19,000,000
Total	200,092,846	19,016,146	19,016,146



A handwritten signature in black ink, appearing to be "R. Acarwala".

A handwritten signature in black ink, appearing to be "G. Gati".

GATI LOGISTICS PARKS PRIVATE LIMITED

CIN : U63030TG2011PTC072285

Notes on Standalone Financial Statements for the year ended 31st March 2018

11(i) Effect of Ind AS adoption on the Balance Sheet as on March 31, 2017 and April 1, 2016

Particulars	Notes	Amount ₹ As at March 31, 2017 (End of Last Period presented under previous GAAP)			Amount ₹ As at April 1, 2016 (Date of Transition)		
		Previous GAAP	Effect of Transition to Ind AS	Ind AS	Previous GAAP	Effect of Transition to Ind AS	Ind AS
I) ASSETS							
1) NON CURRENT ASSETS							
a) Property, plant and equipment	2	189,531,000	-	189,531,000	189,531,000	-	189,531,000
b) Other Non current assets	3	212,469	-	212,469	165,144	-	165,144
		-	-	-	-	-	-
		<u>189,743,469</u>	<u>-</u>	<u>189,743,469</u>	<u>189,696,144</u>	<u>-</u>	<u>189,696,144</u>
2) CURRENT ASSETS							
a) Financial assets							
(i) Cash and cash equivalents	4	399,927	-	399,927	448,239	-	448,239.00
		<u>399,927</u>	<u>-</u>	<u>399,927</u>	<u>448,239</u>	<u>-</u>	<u>448,239.00</u>
TOTAL ASSETS		<u>190,143,396</u>	<u>-</u>	<u>190,143,396</u>	<u>190,144,383</u>	<u>-</u>	<u>190,144,383</u>
II) EQUITY AND LIABILITIES							
1) EQUITY							
a) Equity Share Capital	5	100,000	-	100,000	100,000	-	100,000
b) Other Equity	6	-	35,791,738	35,791,738	-	51,073,638	51,073,638
TOTAL EQUITY		<u>100,000</u>	<u>35,791,738</u>	<u>35,891,738</u>	<u>100,000</u>	<u>51,073,638</u>	<u>51,173,638</u>
2) LIABILITIES							
i) NON-CURRENT LIABILITIES							
a) Financial liabilities							
(i) Borrowings	7	190,000,000	(35,791,738)	154,208,262	190,000,000	(51,073,638)	138,926,362
		<u>190,000,000</u>	<u>(35,791,738)</u>	<u>154,208,262</u>	<u>190,000,000</u>	<u>(51,073,638)</u>	<u>138,926,362</u>
ii) CURRENT LIABILITIES							
a) Financial liabilities							
(i) Other financial liabilities	8	43,396	-	43,396	44,383	-	44,383
		<u>43,396</u>	<u>-</u>	<u>43,396</u>	<u>44,383</u>	<u>-</u>	<u>44,383</u>
TOTAL LIABILITIES		<u>190,043,396</u>	<u>(35,791,738)</u>	<u>154,251,658</u>	<u>190,044,383</u>	<u>(51,073,638)</u>	<u>138,970,745</u>
TOTAL EQUITY AND LIABILITIES		<u>190,143,396</u>	<u>-</u>	<u>190,143,396</u>	<u>190,144,383</u>	<u>-</u>	<u>190,144,383</u>



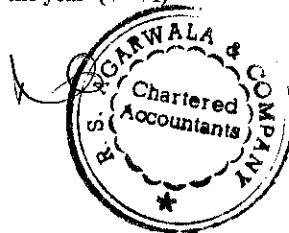
GATI LOGISTICS PARKS PRIVATE LIMITED

CIN : U63030TG2011PTC072285

Notes on Standalone Financial Statements for the year ended 31st March 2018

11(ii) Effect of Ind AS adoption on the Statement of Profit and Loss for the year ended March 31,2017

Particulars	Notes	Previous GAAP	Effect of Transition to Ind AS	Amount ₹
				2016-17
I) Income				
Revenue from Operations		-	-	-
Other Income		-	-	-
Total Income (I)		-	-	-
II) Expenses				
Operating Expenses		-	-	-
Purchase of Traded Goods		-	-	-
Changes in Inventories of Traded Goods		-	-	-
Employee benefits expense		-	-	-
Finance Costs	9	-	15,281,900	15,281,900
Depreciation and amortization expense		-	-	-
Other expenses		-	-	-
Total Expenses (II)		-	15,281,900	15,281,900
III) Profit before Taxation (I-II)		-	(15,281,900)	(15,281,900)
IV) Tax Expenses				
Current Tax		-	-	-
Deferred Tax		-	-	-
Earlier years		-	-	-
Total Tax Expenses (IV)		-	-	-
V) Profit for the year (III-IV)		-	(15,281,900)	(15,281,900)
VI) Other Comprehensive Income (OCI)				
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:				
Re-Measurement gains/(losses) on defined benefit plans		-	-	-
Income tax effect on above		-	-	-
Other Comprehensive Income for the year, net of tax		-	-	-
VII) Total Comprehensive Income for the year (V+VI)		-	(15,281,900)	(15,281,900)



[Handwritten signature]

[Handwritten signature]

GATI LOGISTICS PARKS PRIVATE LIMITED

CIN : U63030TG2011PTC072285

Notes on Standalone Financial Statements for the year ended 31st March 2018

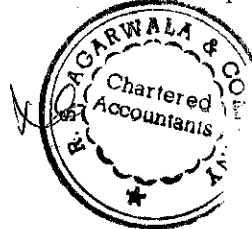
11(iii) **Reconciliation of Total Equity as on March 31, 2017 and April 1, 2016**

Amount ₹

Particulars	Note to First Time Adoption	As at March 31, 2017 (End of Last Period presented under previous GAAP)	As at April 1, 2016 (Date of Transition)
Equity under Previous Indian GAAP		-	-
Profit for the period			-
On account of Fair valuation of Rental Deposit		-	
On account of ECL of Trade Receivables		-	
On account of Amortization of Processing Fees on Long-Term Borrowings as per EIR Method		51,073,638	51,073,638
On account of measuring Investments at Fair Value		-	
Reversal of Proposed Dividend & Corporate Dividend Tax		-	
On account of ECL of Trade Payable		-	
Fair valuation Gratuity and EL Encashment		-	
Deferred Tax Impact on the above		-	
Other Items		(15,281,900)	-
Total Adjustment to Equity		35,791,738	51,073,638
Total Equity under Ind-AS		35,791,738	51,073,638

11 (iv) **Notes to the reconciliation of Balance Sheet & Equity as at April 1, 2016 and March 31, 2017 and Profit or Loss for the year ended March 31, 2017.**

Under IGAAP, the Company accounted for interest free loans taken from Holding Company as Long term Borrowings measured at cost. Under IND AS, such interest free loans taken are classified and measured at fair value. The difference between fair value and the IGAAP carrying amount has been recognised as Equity Reserve on the transition date. For the year ended 31st March, 2017, the subsequent increase in borrowings taken from Holding Company resulted in a corresponding decrease of Rs.1,52,81,900 in total comprehensive income.



(Handwritten signatures)

Cash flow Statement for the year ended March 31, 2018

Amount ₹

PARTICULARS	As at March 31, 2018	As at March 31, 2017
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before taxation	(17,165,529)	(15,281,900)
Adjustments		
Add: Finance cost (Ind AS Adjustment)	17,165,529	15,281,900
Operating profit before adjustment for working capital changes	-	-
Adjustment for changes in working capital and other provisions:		
Increase / (Decrease) other Current financial Liability	12,100	(987)
(Increase) / Decrease in other non current assets	(17,700)	(47,325)
Cash Generated From Operations	(5,600)	(48,312)
Direct taxes paid	-	-
Net Cash Flow From Operating Activities	(5,600)	(48,312)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Payments for Property, Plant & Equipment	(10,324,600)	-
NET CASH (USED IN) INVESTING ACTIVITIES (B)	(10,324,600)	-
C. CASH FLOW FROM FINANCING ACTIVITIES		
Increase / (Decrease) from long term borrowings (Ind AS Adjustment)	24,533,525	15,281,900
Finance cost (Ind AS Adjustment)	(17,165,529)	(15,281,900)
Change in Equity Reserve (Ind AS Adjustment)	2,708,704	-
NET CASH GENERATED FROM/(USED IN) FINANCING ACTIVITIES (C)	10,076,700	(0)
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	(253,500)	(48,312)
Opening balance of cash and cash equivalents	399,927	448,239
Closing balance of cash and cash equivalents	146,427	399,927

The accompanying notes are an integral part of the Financial Statements

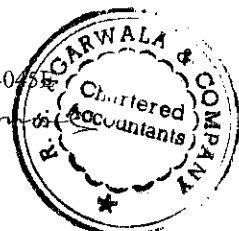
As per our report of even date

For and on behalf of the Board of Directors

For R.S. Agarwala & Co.
Chartered Accountants
Firm Registration No : 3040458

R.S. Agarwala

R.S. Agarwala
Partner
Membership No. 005534
Camp: Hyderabad
Date: 28 May, 2018



Nirmal Kumar Pandey

Nirmal Kumar Pandey
Director
DIN: 00415818

Peter H Jayakumar

Peter H Jayakumar
Director
DIN: 00415883