

PERFORMANCE THAT DELIVERS ON PROMISE

ANNUAL REPORT 2018-2019

WAREHOUSING
SOLUTIONS



RAIL
SOLUTIONS



COLD CHAIN
SOLUTIONS



FREIGHT
FORWARDING



E-COMMERCE
LOGISTICS



AIR
SOLUTIONS



EXPRESS
DISTRIBUTION



M-VATS



CROSS BORDER
COMMERCE

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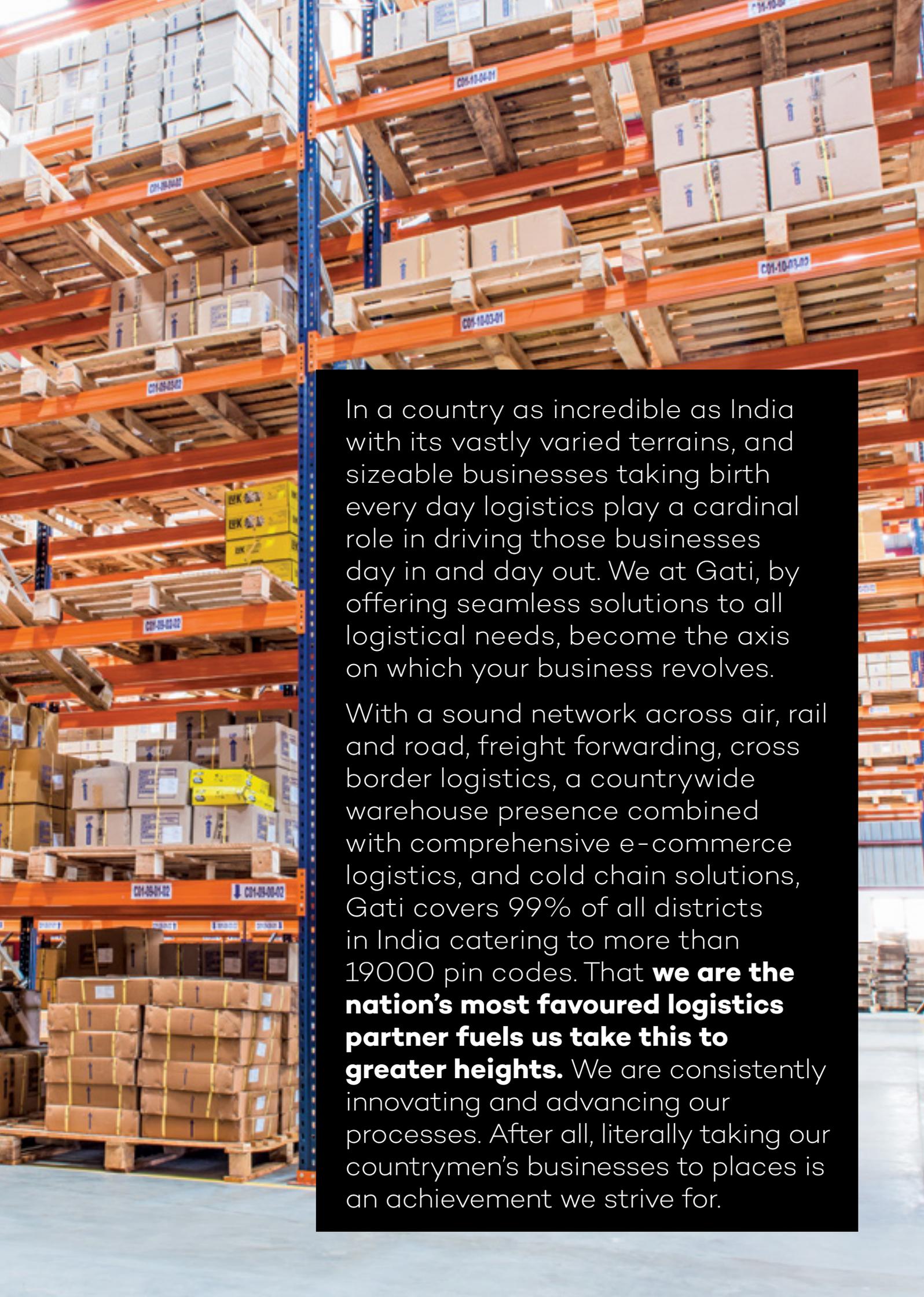
You can also find this
report online on:

www.gati.com



Disclaimer

We have exercised utmost care in the preparation of this report. It contains forecasts and/or information relating to forecasts. Forecasts are based on facts, expectations, and/or past figures. As with all forward-looking statements, forecasts are connected with known and unknown uncertainties, which may mean the actual result deviate significantly from the forecast. Forecasts prepared by the third parties, or data or evaluations used by third parties and mentioned in this communication, may be inappropriate, incomplete, or falsified. We cannot assess whether information in this report has been taken from third parties, or these provide the basis of our own evaluations, such use is made known in this report. As a result of the above-mentioned circumstances, we can provide no warranty regarding the correctness, completeness, and up-to-date nature of information taken, and declared as being taken, from third parties, as well as for forward-looking statements, irrespective of whether these derive from third parties or ourselves. Readers should keep this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.



In a country as incredible as India with its vastly varied terrains, and sizeable businesses taking birth every day logistics play a cardinal role in driving those businesses day in and day out. We at Gati, by offering seamless solutions to all logistical needs, become the axis on which your business revolves.

With a sound network across air, rail and road, freight forwarding, cross border logistics, a countrywide warehouse presence combined with comprehensive e-commerce logistics, and cold chain solutions, Gati covers 99% of all districts in India catering to more than 19000 pin codes. That **we are the nation's most favoured logistics partner fuels us take this to greater heights.** We are consistently innovating and advancing our processes. After all, literally taking our countrymen's businesses to places is an achievement we strive for.

About Gati

We are pioneers in Express Distribution and Supply Chain solutions, committed to facilitating our customers to grow their business by providing them customized delivery solutions.

Gati was incorporated in 1989 as an Express Distribution service provider with headquarters in Hyderabad. Over a period of time, we have transformed ourselves to provide multiple services and solutions in logistics and distribution to our customers, and today, we have emerged as a market leader in several offerings. We provide services to around 99% of districts in India operating in more than 5402+ scheduled routes. We possess integrated and IT-supported multi-modal network of surface, air and rail along with warehouses spread across India. Our offerings include transportation solutions, E-commerce, Trade Inventory Management, Freight Forwarding and Cold Chain Solutions. This helps us to improve Supply Chain Solutions to customers present across different industries. We have a strong foothold in Asia Pacific region and SAARC countries.

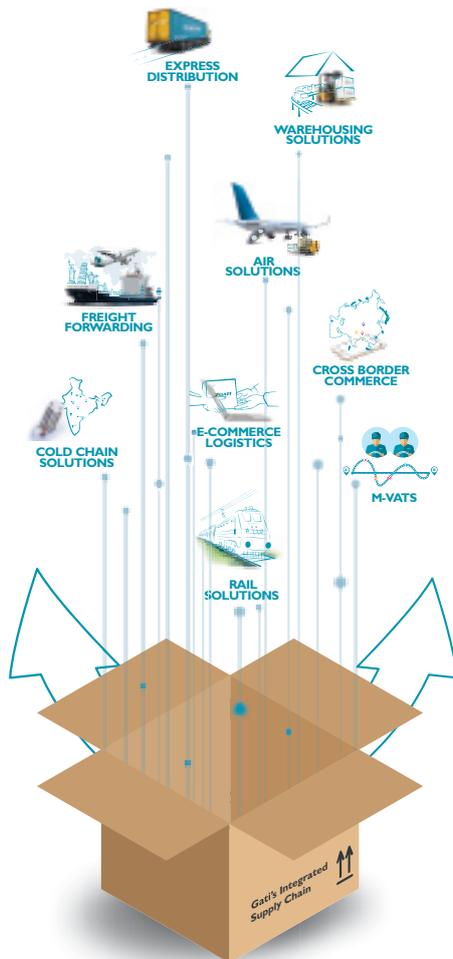


Our Vision and Values



Our Vision

To be a globally preferred provider of India-centric supply chain services and solutions and a leader in the Asia Pacific region. To delight our customers with quality service by setting new trends through innovation and technology. To be the most preferred organization amongst all our stakeholders. To be a responsible corporate citizen with steady commitment towards environment protection and conservation.



Vision 2022

Rapid **Acceleration** to One Million Package Deliveries per day

Transformation from a dominant Express Distribution Services player to an End-to-End Logistics Powerhouse



Our Values

Our Attitude:

Elegant Customization

We absorb both global as well as domestic trends with curiosity and customize our offerings in an elegant method to meet the wide range of customer's expectations and care for his objects.

Our Behaviour:

Sensitive Streamlining

With passion, integrity and responsibility we take ownership to move towards organized teamwork with cost efficient and sensitive customer focus.

Our Action Domino:

Discipline

We follow a domino game-like disciplined chain of consecutive actions at any given time and place in all our transactions to be able to achieve the goal of customer value protection and quality delivery.

Our Delivery:

Promise

Caring for our customers' precious objects with domino discipline, we promise to stay ahead in providing quality service, wide network, high calibre responsible people, technology and automation.

Founder & CEO's Message



I am proud to inform that we had a successful and seamless E-way Bill Process Roll Out with zero service disruption in addition to the continuous handholding and training to customers where needed.



Dear Shareholders

This year has witnessed a series of external events affecting the macroeconomy and the logistics sector. The period leading to the general elections did have a reduced industrial output, combined with degrowth in auto & consumer durable sector and flat performance in pharma, consumer non-durable, and other key sectors, mainly towards the later half and end of FY19. Simultaneously the logistics sector

witnessed entry of newer players and expansion of existing player with pressure on market prices, leading to lower profitability in the overall organised sector.

Amidst these external variables, your Company has grown and enhanced its service portfolio with leading customers to build on its vision as an end to end logistics solutions provider.

Performance Highlights

With regards to the overall performance during the year, we witnessed steady growth of 7.30% in revenue from operations. Amongst the business verticals, e-commerce displayed a strong double-digit growth including considerable improvement and expansion of services. Gati Kausar (Cold Chain Division) turned positive EBITDA for the first time in FY 19. The core business grew at 5.36% represented by GKEPL with a focus on delivering end to end logistics solutions for the customer.

Your company was honored with multiple awards from national industrial bodies and industry leaders across healthcare, auto among others for our continuing service excellence and customer centricity.

Emerging Opportunities

Technology is playing a key role across the business ecosystem, starting from the internal processes and capabilities, customer integration and interface to complex data mining. Even in a traditional industry like logistics, there is a preference emerging for information consumption and interaction on the Mobile.

Your Company has always been at the forefront of technology and has had many firsts to its

credit. I am proud to inform that we had a successful and seamless E-way bill process rollout with zero service disruption in addition to the continuous handholding and training to customers where needed.

I am also glad to announce that your Company is undergoing an efficient transition to a completely new state of the art IT Infrastructure (GEMS 2.0) and would yet again set the technology and processes benchmark in the logistics industry aimed at directly delivering value to the customers.

Training & People

In a service based industry our people are our assets and your Company undertook around the year training across multiple levels including leadership counselling with the support of outside professionals and internal experts. We continued our focus on driver training across our multiple facilities in India.

Additionally, your Company conducted an extensive Channel & Business Partner training & induction program across its operating units for improvement in quality, customer engagement & service.

Building Sustainable Committee

We continued to push our efforts in CSR with key focus education, environment, community, rural development, and health. Your company also provided support during Kerala Flood and Bhubaneswar Cyclone. The focus on electric mobility remained strong with the incorporation of e-vehicles in last mile fleet in e-commerce and express distribution business directly aiming at a reduction of carbon footprint and moving towards a sustainable future.

Way Forward

Your company has created the roadmap for achieving the 2022 vision of delivering one million packages per day and become an end to end logistics solutions powerhouse. The program has identified several breakthrough initiatives aimed at improving internal capabilities, winning customer confidence, handling ever-changing market dynamics, continuous improvement and innovation.

We have made significant progress in this program and have started seeing results in many areas and is setting the foundation for achieving the 2022 vision.

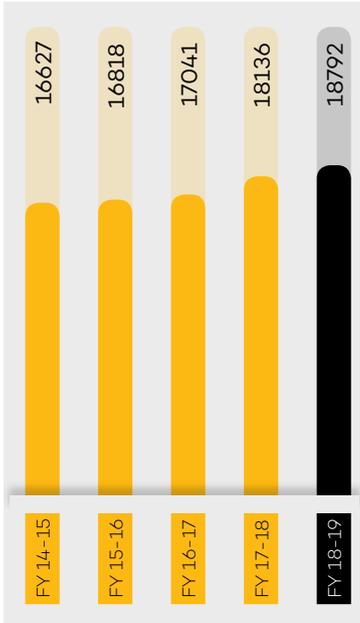
In summary, your Company is continuously gearing up in this dynamic macro-economic situation. We are optimistic about the future and I am thankful to you all for the strong confidence in your Company and its management.

Mahendra Agarwal
Founder & CEO

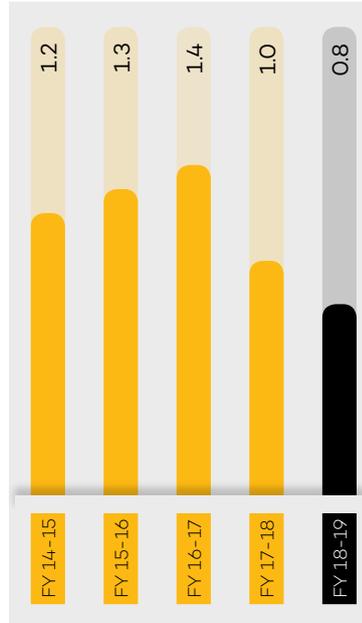
Financial Snapshot

(Consolidated)

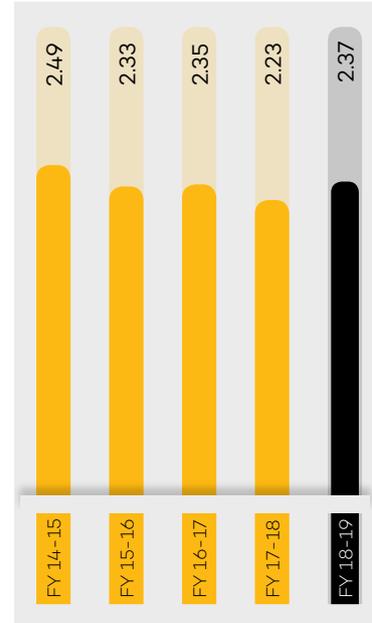
Total Income
(₹ in million)



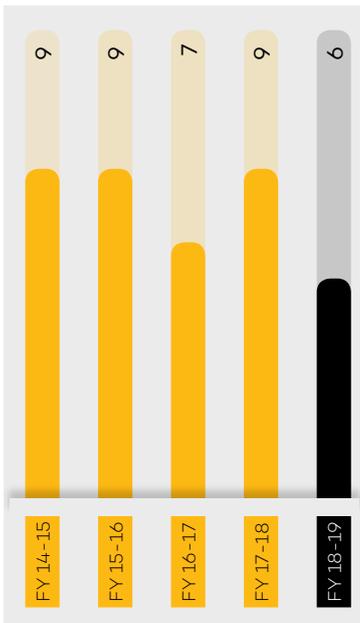
Current Ratio



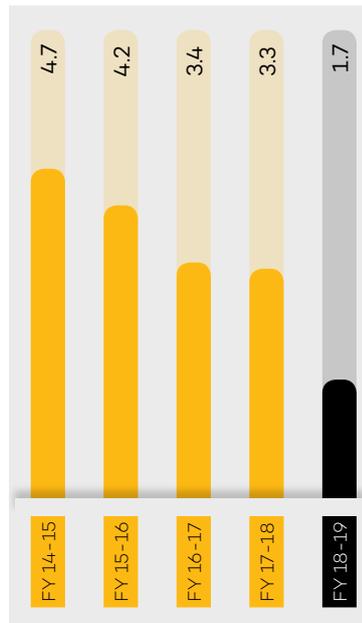
Turnover on Capital Employed
(₹ in million)



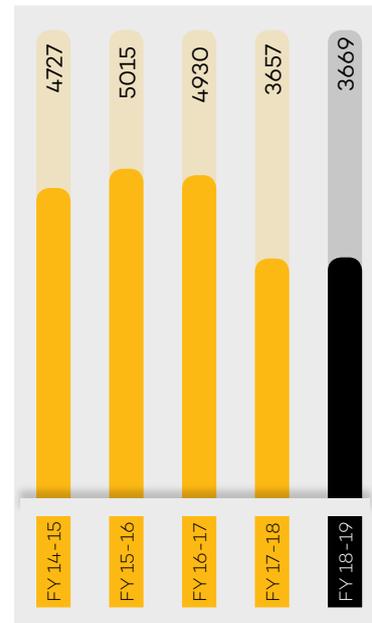
EBITDA
(%)



EPS
(₹)



Debt
(₹ in million)



Board of Directors



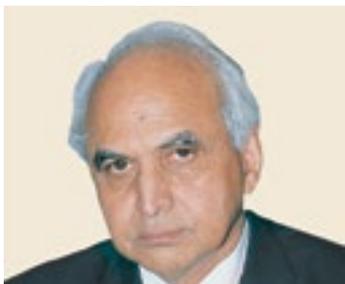
K L Chugh,
Chairman



Mahendra Agarwal,
Founder & CEO



N Srinivasan,
Director



P Sudhakar Reddy,
Director



Sunil Alagh,
Director



P N Shukla,
Director



Yasuhiro Kaneda,
Director



Sheela Bhide,
Director



Savita Date Menon,
Additional Director



Sushil Jiwrajka,
Additional Director



For more details
scan the QR Code

Express Distribution



Express Distribution

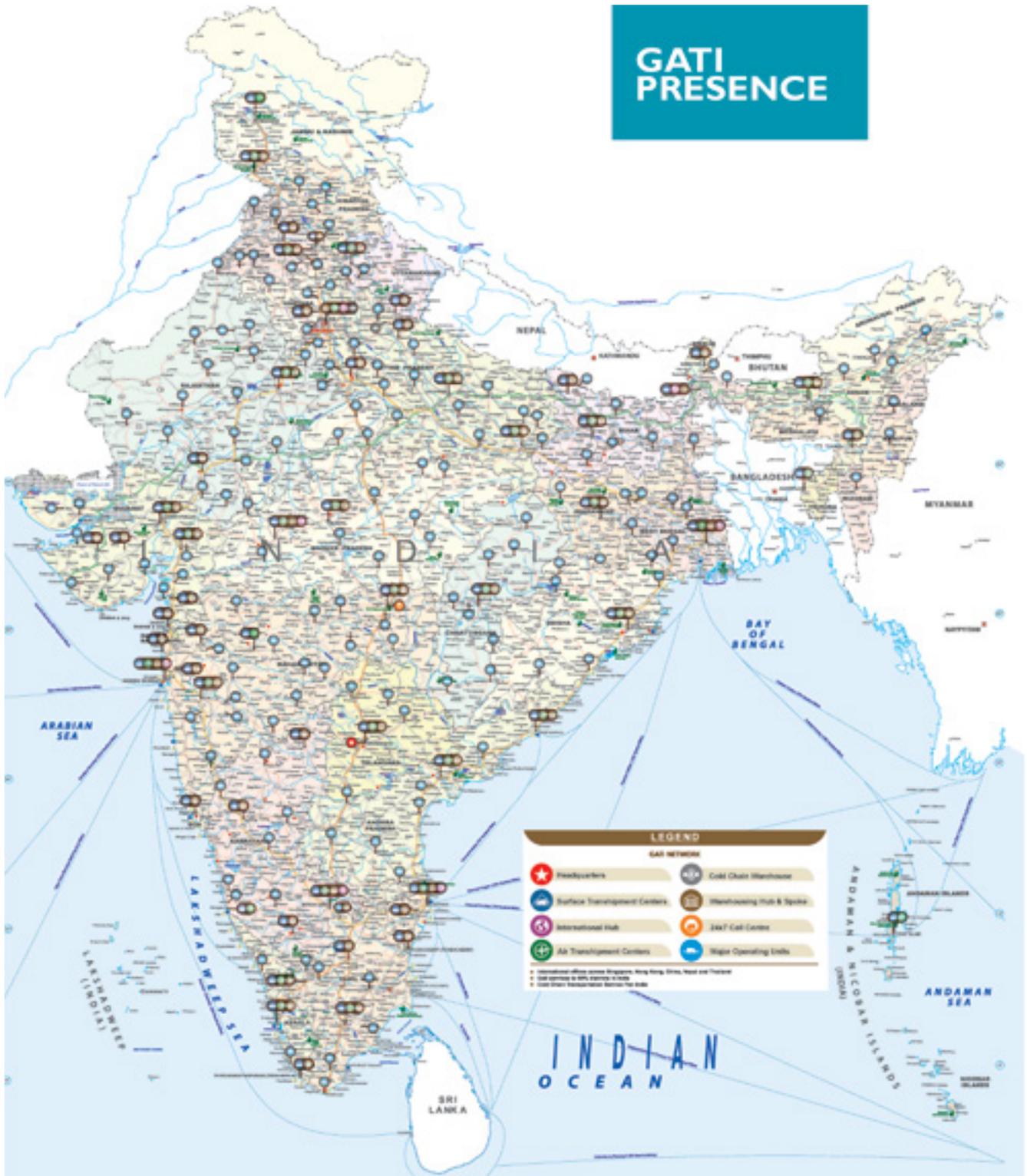
Gati-Kintetsu Express Private Limited (Gati-KWE) is an unparalleled player in Express Distribution and Supply Chain Solutions, determined to make their customers' business always 'Ahead in reach' while partnering with them to elegantly customize the delivery offering. We are engaged in providing multi-mode services to our customers in the form of air, surface and rail. This helps us to provide each of our customers an integrated, seamless and cost-effective solution right from the planning, transportation, routing till delivery.

Key Strengths

- **16** Express distribution Centers and **61** Gati-KWE distribution Warehouses working in a **hub and spoke model** to ensure on time and seamless delivery at destination.
- **More than 5000 vehicles** across the country help us deliver every shipment in a time-definite period and helps us to stay ahead in reaching translating to give our customers the competitive edge.
- A **well-developed wide network** and an **optimized route planning system** enables disciplined delivery & in being a highly efficient express cargo delivery company.
- **24/7/365 service level monitoring system** that ensures safety, security and on time delivery.
- **24x7 customer care center** that provides support for every query.
- **Online** tracking, capital and e-mail updates of your shipment in transit.
- Multi-modal connectivity to **21000+** pin codes
- Unparalleled reach to **99%** districts of India
- **Quick & trusted** Claims process
- **Designated space** with leading airlines
- **Cost-effective** Logistics services
- **State-of-the-art** tracking services



GATI PRESENCE



E-Commerce Logistics and Fulfilment Services



Of late, there has been an increasing amount of penetration in the internet, smartphones and e-commerce market in India which has now resulted growth in online payments. The e-commerce companies are now breaking the geographical barriers by expanding its reach to different customers across the country. We are engaged in offering e-commerce logistics solutions through Gati E-connect. We are India's first e-commerce logistic solutions provider with a reach of 99% districts of India. Since 2014, we have developed our process and technology which aids us in handling 1.3 million packages in an efficient and effective manner.

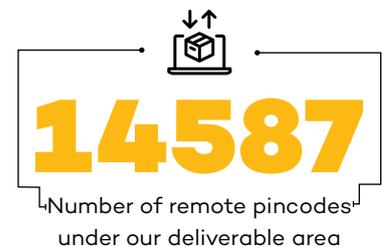
Key Strengths

- **Unmatched Reach:** We have an unmatched reach in over **5402** direct pin codes and **14587** remote pin codes.
- **Diverse Fleet Size:** We deliver handle packages of different sizes ranging from **0.5 kg to 1 ton**. Our fleet of different vehicles helps us to reach various locations and help us to maintain our delivery capacity.
- **Dedicated customer care center:** our dedicated 24X7X365 days customer care center handles **1.5 lacs calls per month** and addresses various issues such as docket tracking till delivery and reverse booking.
- **Technology:** We have successfully adopted IT and Automation such as API with major customers, SMS

and e-mail tracking, load and delivery planning, E-POD (Proof of Delivery) and E-invoice in our business.

- Unparalleled reach to **20,000** plus pin codes
- **API-enabled**, with real-time tracking and updates

We have developed tech OTP based Delivery for Top Clients



Gati Supply Chain Management Solution



We are a leading player in providing end-to-end supply chain solutions to our customers across the industry verticals. Our offerings involve an array of supply chain solutions ranging from freight forwarding, Custom Clearance, First Mile – Managed value-added transportation services, Inventory management, Warehousing solutions, Demand & Supply planning & last mile distribution including reverse logistics.

Key Strengths

- **100+** large-format hubs across India
- **Best-in-class** Warehouse Management System
- Option of **Order and Inventory**-based models
- Customised solutions for **multiple industries**
- Cost-effective, dedicated & shared space
- **Integrated** warehousing & distribution



0.8million
Square feet of
warehouse space

Warehousing Solutions

We provide a wide range of logistics and supply chain services which helps us to create customized solutions for our customers, including network designing & manufacturing activities Assembly, Sub Assembly & Kiting. Our capabilities range from BTS – Built to Suit, Dedicated to Shared facilities and Sort centres & Fulfilment centres for our ECOM vertical, complimenting our aim to enhance customer experience. Our service offerings include customized, state-of-the-art warehousing services for the industry segment along with industry-specific advantages such as reduced costs, lesser time and enhanced product availability. We possess 0.8 million square feet of technologically sound and cost-effective warehousing facility having dedicated shared space with one of the best warehouse management systems and specialized value-added services.



Gati Kausar Cold Chain Logistics



Gati Kausar is our subsidiary, engaged in providing cold chain services. Possessing 30 years of expertise, it is one of the oldest established cold chain companies in India. Our cold chain are in adherence with ISO 22000 standards, have stern temperature adherence, real-time temperature monitoring and alerts.



30
years of experience
in cold chain logistics

Key strengths:

- From **warehouse to location, pan-India**, within 24 hours
- Stringent temperature adherence and **ISO 22000** standards
- Isolated pharma zones and restaurant **inventory management**
- **Integrated and customised** cold chain solution

Our wide presence across the country helps us to deliver products within 24 hours from warehouse to location anywhere across India.

We have 160 vehicles on road for Primary and Secondary distribution with 5500 Pallet position of Cold storage and we give integrated cold chain services from pick up store and do last mile delivery to QSR outlets

Our Segment of business ranges from Fruits / Dairy / ice cream / Poultry / Chocolates / Green Peas etc from “ Farm to Fridge “ from transportation to cold storage and Last mile delivery

Our Service Offerings:

- **Primary Distribution:** We provide full truckload services for long haul transportation of bulk and volumetric shipments. These services are provided all across India on the basis of the load factor from the manufacturing facility to distribution centres or cold storage units.
- **Secondary Distribution:** We provide services from distribution centres or cold storage facilities to end users by introducing fast and efficient in-city vehicles.
- **Dedicated Reefer Fleet:** These services have been designed especially for food chain business where we provide 100% customized vehicles 24X7 as per the customer’s requirements.
- **Customized Cold Chain Solutions:** Our aim to provide the right service to the right customer is fulfilled through our reefer network, technologically sound refrigerated units, IT infrastructure, temperature controlled vehicles, and an experienced and competent team.
- **Organized Retail:** We provide Just in Time services through Light Commercial Vehicles to F&B and retail sector.



160
Number of cold chain
vehicles for primary
distribution



Our Approach towards Sustainability

At Gati, Corporate Social Responsibility is a fundamental part of our business model and we are committed to fulfilling our responsibilities as a member of the society and also improve the quality of life of the community we operate in. We, as a group continue to contribute towards the field of education, skill development, environment, and disaster management during natural calamities. Through our key initiatives, we have made a significant contribution towards the construction of schools, helping natural disaster victims in sustaining their occupation and supporting the cause of green environment. We also take various steps to maintain environmental sustainability.

Gati's CSR vision

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



Education:

Adoption of Government Schools which encompass infrastructure development, providing tools for enhanced learning, aiding in providing a hygienic learning environment along with a focus on activities that foster overall physical and mental wellbeing.



Environment:

We believe that the environment should be used in a way that is sustainable. Thus, we ensure that the use of natural resources meets the present day needs for the resource without jeopardising the supply of the resource for future generations.



Community:

We organise multiple welfare events to reach out to those less privileged in the community. We strongly believe in creating awareness about healthcare and enabling sustainability within the community we live in.



Rural Development Projects & Donations:

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

Our Approach towards Sustainability

Kerala Flood

Kerala received heavy monsoon rainfall resulting in dams filling to capacity; in the first 24 hours of rainfall. The state received 310 mm (12 inches) of rain. Almost all dams were opened since the water level rose an overflowing level, flooding local low-lying areas. For the first time in the state's history, 35 of its 42 dams were opened.



Gati responded to this natural calamity with utmost concern to the fellow citizens. A CSR committee meeting was immediately called upon to discuss the possible relief activities which can be rendered on a war footing. Some of the initiatives undertaken were:

- The need of the hour was clothing so GATI distributed the relief materials which included Bedsheets, Sarees, Lungis & Children clothes.
- Each of the men was given bedsheet & lungi while the women received bedsheet and saree.
- Each child was given 2 dresses.
- Five full truck of relief materials were transported free of cost from Hyderabad to Kerala by various corporates. The trucks were provided by Gati. Each truck capacity was 8 tonnes.



PowerPoint Presentation Kuriapilly village, known for its famous Cotton sarees was among one of the worst affected villages in Ernakulam District, Kerala that was hit by the floods in the Year 2018. The floods shattered the lives of the weavers who lost their looms as well as their houses. GATI took up the responsibility with paramount importance to revive the handloom weavers' community of Kuriapilly village and restored the looms of Kuriapilly Handloom weavers Co-op Society limited.

Eye Cancer

During the year, our CSR initiative was centred around improvement in the quality of life of the children around us. We worked towards saving the eyesight and lives of the children suffering from deadly eye disease.

Eye Cancer is one deadly disease, which mostly occurs in children ageing 0 to 3 years. About 6 out of 10 Lakh people suffer from such eye cancer. Out of all the paediatric cancer patients, 9-10% constitute children having eye cancer in India alone. Unilateral eye cancer(one eye) is usually diagnosed at the age of about 2 years (in case of boys) and 1 year (in case of girls) while bilateral eye cancer(two eyes) is diagnosed at an age less than 12 months. Eye

Cancer is slightly more common in boys than in girls. A large number of eye cancer cases are found among the economically underprivileged populations. As a part of our contribution to society during the year, we offered our help to perform Examination under Anesthesia (EUA) procedures in children suffering from eye cancer, thereby saving their eyesight as well as lives. Under this initiative, we performed 250 EUA'S on 147 children with 79 being male and 68 being female belonging to the age group of 0-9 Years. (*As Many of the children required more than one EUA.)

Om Maddheshia's journey from life threatening eye cancer to normal life



Om Maddheshia was diagnosed with retinoblastoma, a life-threatening eye cancer, which occurs in children at the age of two years. On carrying out the initial eye examination, the doctors in Uttar Pradesh, advised his parents to seek advanced eye care. By the time he was brought to LVPEI (L V Prasad Eye Institute), the tumor had significantly progressed in his left eye. Thus, in order to further restrict the spread of the tumour to his other functional eye, the left eyeball was removed. In addition to this, a series of chemotherapy sessions were given to him. An artificial eye was made for him to restore the cosmetic appeal of his face. The tumour is now under control and his parents are also relieved to know that there is no threat to his life now. Maddheshia now leads a normal life.

Awards & Events



Honda Award
 Best Transporter
 award for
 excellence in
 Express Delivery



ABOTT Award
 Customer Centric
 Business Partner



CII SCALE Award

- E- commerce logistics
- Industry and retail warehousing
- Road transportation



The Asian Supply Chain Award

- Humanitarian Logistics Service Provider
- Sustainability in 3PL
- Best Customer Care and Support

Jeep Award

Best Transportation
 support Award in
 the PTL Distribution
 category



Airport Kiosk
 Chennai



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

Mr. Sushil Jiwrajka

Additional Director

Dr. Savita Date Menon

Additional Director

Key Managerial Personnel

Mr. Mahendra Agarwal

Founder & CEO

Peter H. JayakumarChief Financial Officer
(w.e.f 28.05.2019)**T.S. Maharani**Company Secretary
(w.e.f 02.08.2019)

Members of the Committees

Audit Committee

Mr. N Srinivasan, Chairman

Dr. P S Reddy, Member

Mr. P N Shukla, Member

Nomination & Remuneration Committee

Dr. P S Reddy, Chairman

Mr. K L Chugh, Member

Mr. P N Shukla, Member

Stakeholders Relationship Committee

Mr. Sunil Kumar Alagh, Chairman

Mr. Mahendra Agarwal, Member

Ms. Sheela Bhide, Member

Corporate Social Responsibility Committee

Ms. 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

State Bank of India

HDFC Bank Ltd

ICICI Bank Ltd

Axis Bank Ltd

DCB Bank Ltd

Syndicate Bank

The South Indian Bank Limited

Karur Vysya Bank

Kotak Mahindra Bank

Federal Bank Limited

Bank of Bahrain and Kuwait B.S.C

Bank of Baroda

Yes Bank

Hero Fincorp Limited

Tata motors finance Limited

Kotak Mahindra Prime Ltd

Registrar & Transfer Agents

Karvy Fintech 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.karvyfintech.com

Notice

Notice is hereby given that the 24th Annual General Meeting (AGM) of the members of Gati Limited (CIN: L63011TG1995PLC020121) (the Company) will be held on Wednesday, September 25, 2019 at 12:00 Noon 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, 2019 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, 2019 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, 2019 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, 2019 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, 2019 and in this regard, pass the following resolution as Ordinary Resolution:

“RESOLVED THAT a dividend at the rate of ₹ 0.80/- (Eighty 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, 2019.

4. To appoint a Director in place of Mr. Yasuhiro Kaneda (DIN: **07619127**), who retires by rotation 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, 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 2019-20, 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.”

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

- (i) **Appointment of Mr. Sushil Jiwarajka (holding DIN: 00016680) as an Independent Director of the Company.**

“RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the consent of the members of the Company be and is hereby accorded to appoint Mr. Sushil Jiwarajka (DIN: 00016680), who was appointed as an Additional Director of the Company by the Board of Directors, in terms of Section 161 of the Companies Act, 2013 and who has submitted a declaration that he meets the criteria of independence under Section 149 of the Companies Act, 2013 and who is eligible for appointment and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, for a period of 5 consecutive years that is, up to September 24, 2024 and he shall not be liable to retire by rotation”.

- (ii) **Appointment of Dr. Savita Date Menon (holding DIN: 08528271) as an Independent Director of the Company.**

“RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the consent of the members of the Company be and is hereby accorded to appoint Dr. Savita Date Menon (DIN: 08528271), who was appointed as an Additional Director of the Company by the Board of Directors, in terms of Section 161 of the Companies Act, 2013 and who has submitted a declaration that she meets the criteria of independence under Section 149 of the Companies Act, 2013 and who is eligible for appointment and in respect of whom

the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing her candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, for a period of 5 consecutive years that is, up to September 24, 2024 and she shall not be liable to retire by rotation”.

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

(i) To re-appoint Mr. KL Chugh as an Independent Director for a second term of two consecutive years.

RESOLVED THAT pursuant to the provisions of sections 149, 152, and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the rules framed there under, read with Schedule IV to the Act, Regulation 17(1A) and Chapter IV of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 as amended from time to time, Mr. KL Chugh (DIN: 00140124), aged 81 years who was appointed as an Independent Director of the Company for a term of five years from the date of 19th Annual General Meeting held on August 05, 2014, be and is hereby re-appointed as an Independent Director of the Company for a second term of two consecutive years with effect from 04th August 2019 to 03rd August 2021.”

(ii) To re-appoint Dr. PS. Reddy as an Independent Director for a second term of two consecutive years.

RESOLVED THAT pursuant to the provisions of sections 149, 152, and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the rules framed there under, read with Schedule IV to the Act, Regulation 17(1A) and Chapter IV of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 as amended from time to time, Mr. Pesara Sudhakar Reddy (DIN: 00608915), aged 82 years who was appointed as an Independent Director of the Company for a term of five years from the date of 19th Annual General Meeting held on August 05, 2014, be and is hereby re-appointed as an Independent Director of the Company for a second term of two consecutive years with effect from 04th August 2019 to 03rd August 2021.

(iii) To re-appoint Mr. N. Srinivasan as an Independent Director for a second term of two consecutive years.

RESOLVED THAT pursuant to the provisions of sections 149, 152, and other applicable provisions,

if any, of the Companies Act, 2013 (Act) and the rules framed there under, read with Schedule IV to the Act, Regulation 17(1A) and Chapter IV of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 as amended from time to time, Mr. Srinivasan Natesan (DIN: 00004195), aged 88 years who was appointed as an Independent Director of the Company for a term of five years from the date of 19th Annual General Meeting held on August 05, 2014, be and is hereby re-appointed as an Independent Director of the Company for a second term of two consecutive years with effect from 04th August 2019 to 03rd August 2021.

(iv) To re-appoint Mr. Sunil Kumar Alagh as an Independent Director for a second term of two consecutive years.

RESOLVED THAT pursuant to the provisions of sections 149, 152, and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the rules framed there under, read with Schedule IV to the Act, Regulation 17(1A) and Chapter IV of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 as amended from time to time, Mr. Sunil Kumar Alagh (DIN: 00103320), aged 72 years who was appointed as an Independent Director of the Company for a term of five years from the date of 19th Annual General Meeting held on August 05, 2014, be and is hereby re-appointed as an Independent Director of the Company for a second term of two consecutive years with effect from 04th August 2019 to 03rd August 2021.

(v) To re-appoint Mr. P.N. Shukla as an Independent Director for a second term of two consecutive years.

RESOLVED THAT pursuant to the provisions of sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the rules framed there under, read with Schedule IV to the Act and Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, Mr. Prabhu Narain Shukla (DIN: 01868580), aged 66 years who was appointed as an Independent Director of the Company for a term of five years from the date of 19th Annual General Meeting held on August 05, 2014, be and is hereby re-appointed as an Independent Director of the Company for a second term of two consecutive years with effect from 04th August 2019 to 03rd August 2021.

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

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

Place: Hyderabad
Date: 02nd August, 2019

Registered & Corporate Office:

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

NOTES:

1. 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 to Item No. 7 of the Notice, is annexed hereto. The relevant details, pursuant to Regulations 26(4) and 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Directors seeking appointment/re-appointment at this 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 23, 2019 at 12:00 Noon 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. 26**. 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 Company has fixed Wednesday, September 18, 2019 as the ‘Record Date’ for determining entitlement of members to final dividend for the financial year ended March 31, 2019.
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 are:
 - a) Required to submit their Permanent Account Number (PAN) and bank account details to the Investor Service Department of the Company / Karvy Fintech Pvt. Ltd. (“Karvy”), if not registered with the Company as mandated by SEBI.
 - b) Advised to register the nomination in respect of their shareholding in the Company.

- c) 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 are:
- a) Requested to submit their PAN and bank account details to their respective DPs with whom they are maintaining their demat accounts.
- b) Advised to contact their respective DPs for registering the nomination.
- c) 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 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 Karvy / Investor Service Department of the Company, in case the shares are held by them in physical form.
15. Dividend on equity shares as recommended by the Board of Directors for the financial year ended March 31, 2019, 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 Wednesday, September 18, 2019;
- 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 Wednesday, September 18, 2019.
16. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the 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.
17. 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 2010-11, 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, 2012 or any subsequent financial years are requested to make their claim to the office of Karvy, Registrar and Share Transfer Agents, or the Chief Financial Officer, 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.
18. 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 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.
19. 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.

20. The Company has transferred the unpaid or unclaimed dividends declared up to financial years 2010-11, 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 September 18, 2018 (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.
21. 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 2018-19, 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. December 15, 2018. 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.
22. 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 Karvy for lodging claim for refund of shares and / or dividend from the IEPF Authority.
23. A Route Map showing direction to reach the venue of 24th AGM is given in the Annual Report as per the requirement of the Secretarial Standard – 2 on General Meeting.
24. Members may also note that the Notice of the 24th AGM and the Annual report for the FY 2018-19 will be available on the company's website i.e., www.gati.com.

25. 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 24th AGM by electronic means and the business shall be transacted through e-voting services provided by Karvy Fintech 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 Friday, September 20, 2019.

End of e-voting: Up to 5.00 p.m. (IST) on Tuesday, September 24, 2019.

- 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. Wednesday, September 18, 2019. 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., Wednesday, September 18, 2019, 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 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 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. Wednesday, September 25, 2019.
- 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 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.

26. 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
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Password	Your unique password is printed on the form / forwarded via email through the electronic notice
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Captcha	Enter the verification code i.e. please enter the alphabets and numbers in the exact way as they are displayed for security reasons
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- 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 / FII's / 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>.

27) Details of directors seeking appointment/ re-appointment at the Annual General Meeting scheduled to be held on September 25, 2019 is given below:

BRIEF PROFILE OF DIRECTORS (SEEKING APPOINTMENT / RE-APPOINTMENT)

Name of the Director	Mr. Yasuhiro Kaneda (DIN: 07619127)	Mr. KL Chugh (DIN: 00140124)	Dr. PS Reddy (DIN: 00608915)	Mr. N Srinivasan (DIN: 00004195)	Mr. Sunil Alagh (DIN: 00103320)	Mr. PN Shukla (DIN: 01868580)	Mr. Sushil Jiwaraajka (DIN: 00016680)	Dr. Savita Date Menon (DIN: 08528271)
Age	57 Years	81 Years	82 Years	88 Years	72 Years	66 Years	63 Years	59 Years
Date of Appointment	04.11.2016	30.06.1998	25.04.1995	18.10.2000	22.04.2004	19.10.2012	02.08.2019	02.08.2019
Qualifications	Commerce Graduate from Meiji University	Mechanical Engineer from Delhi University	MD / DN / MRCP / FACP / FACC	B.com, CA	B.A.Economics (Hons.) & MBA (IIM, Calcutta)	M Sc Physics & LLB from Allahabad University and graduated in Business Management from Perth University, Australia.	Commerce and Economics Graduate from University of Mumbai	Phd. In Clinical and Health Psychology
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.	Mr. K.L. Chugh, a Mechanical Engineer from Delhi College of Engineering (now Delhi Technological University) is also Chairman Emeritus ITC Limited. He was Executive Chairman of ITC Group from November 1991 to December 1995 and during his years of stewardship ITC emerged as India's #1 Company, on various criterions of Sales growth, Exports, Profit, Returns to shareholders and Market Capitalization, emerging as India's leading homegrown MNC. On his retirement he was honored with the title of Chairman	Dr. P. Sudhakar Reddy is a well-known cardiologist, humanitarian, social activist and is recognized as the creator of the Mediciti Hospital in Hyderabad. He is recognized as one of the most distinguished sons of Hyderabad. He did his MRCP from Edinburgh, U.K. Dr. Reddy is a professor of Medicine, University of Pittsburgh and was Director of Cardiac Angio Laboratories.	Mr. N. Srinivasan is a Chartered Accountant. He was a Senior Partner of the well-known Firms, Fraser & Ross and Deloitte Haskins & Sells, Chennai. He was the past President of various professional Institutes and Chambers of Commerce, including bilateral Chambers of Commerce.	Mr. Sunil Kumar Alagh is Chairman of SKA Advisors, a Business Advisory / Consultancy firm with a focus on Marketing and Brand building strategies. He is a graduate in Economics (Hons.) with MBA from IIM Calcutta. He has worked with ITC Limited, Jagatjit Industries Limited and Britannia Industries Limited. He was Managing Director and CEO of Britannia Industries Limited from 1989 to 2003. During this tenure, Britannia figured in the Forbes Magazine list of 300 Best Small Companies in the world for 3 years. It also became the Number 1 food Brand in India. He was honoured with	Mr. Shukla joined Indian Railway Traffic Service in 1976. He is a Rail transport Operations & Logistics specialist. He completed MSc Physics & LLB from Allahabad University and graduated in Business Management from Perth University, Australia. His association with Coal, Steel, POL, Cement, Fertiliser, Minerals, Containers, and Express cargo movement of Railways has been long and intense. He worked in the Ministry of Railways for nine years as Executive Director Transport, Executive Director Tourism & Catering and Executive	Mr. Sushil Jiwaraajka, a prominent industrialist, is the Chairman of Artheon Group of Companies. He is also the Chairman and Managing Director of Essjay Ericsson Pvt. Ltd, a Joint Venture with LM Ericsson of Sweden. Artheon Group has interests in Telecom, Renewable energy, industrial batteries and E-commerce. He has promoted OMC Power Company Pvt. Ltd., which has been providing clean Power using Renewable Energy for Director, Freight Marketing. He also worked as Director of Container	Dr Savita Date Menon, PhD, is a Psychologist having trained at Mumbai University, India. She is also a certified Health & Wellness Expert. She has worked in the field for almost 30 years. 10 years with Tata Steel Hospital, Jamshedpur, where she was responsible for setting up the Dept. of Psychiatry, and where she received several Quality Awards. And over 18 years with Apollo Hospitals.

		<p>Emeritus ITC.</p> <p>Mr. Chugh was appointed by the Govt. of India as Director on the Central Board of Reserve Bank of India, Shipping Credit and Investment Company of India Ltd., Tourism Finance Corporation of India, National Housing Bank of India, Member Board of Governors on the National Council of Applied Economic Research (NCAER), and various other bodies.</p> <p>He is presently Chairman Emeritus ITC Ltd., Chairman Gati Ltd., Chairman Cosmos Consulting, Member Board of Directors of Sandhar Auto Group, Population Foundation of India, Kiwani Club New Delhi, and Member Advisory Council of the Institute of Directors and Member Board of Management of the India Energy Forum.</p> <p>Mr. Chugh's current interests are management consulting, renewable energy and education</p>			<p>the 'Gold Medal Kashlkar Memorial Award 2000' for outstanding contribution to the food processing industry in India. He was a finalist for the Ernst and Young Entrepreneur of the Year Award, 2002.</p>	<p>Corporation of India and Indian Railway Catering & Tourism Corporation. As Executive Director Freight Marketing he introduced liberalized policies for private participation in area of freight and parcel traffic. In 2003, he set up one of the new divisions as Divisional Railway Manager at Guntur on South Central Railway within two years. He worked as Chief Operations Manager of South Western Railway in 2005-2006 at Hubli. During his tenure, a number of long distance trains were introduced from Hubli, Bangalore and Mysore. Mr. Shukla has presented a paper on IT applications on Indian Railways at Stockholm in Sweden in 1998. A number of innovations were introduced on Indian Railways from his wide exposure to foreign railways. He developed Automobile wagons and special parcel wagons for attracting this traffic to railways. He was also coordinator of international operations of Indian Railways such as Bangladesh and Pakistan.</p>	<p>telecom sites and rural communities. This Company has won several prestigious awards. Recently, he has been appointed as the Hon. Consul General of Greece in Mumbai.</p>	
<p>Details of Remuneration last drawn (including commission for FY 2018-19 payable after 24th AGM of the Company)</p>	2,50,000/-	5,00,000/-	2,50,000/-	3,50,000/-	2,50,000/-	2,50,000/-	N.A.	N.A.

Date of first appointment on the Board	04.11.2016	30.06.1998	25.04.1995	18.10.2000	22.04.2004	19.10.2012	02.08.2019	02.08.2019
Relationship with other Directors/ Key Managerial Person	Not related to any director	Not related to any director	Not related to any director	Not related to any director	Not related to any director	Not related to any director	Not related to any director	Not related to any director
Details of shares held in the Company as on 31.03.2019	-	-	-	89000	90000	20000	-	-
Number of meetings of the Board attended during the financial year (2018-19)	5/8	8/8	4/8	7/8	6/8	8/8	N.A.	N.A.
Directorship held in the other public companies (excluding foreign companies and section 8 companies)	-	1 (Sandhar Technologies Limited)	1 (Bhorukha Textiless Limited)	3 (Tractors and Farm Equipment Ltd, Essar Shipping Ltd, OGD Services Limited)	3 (United Breweries Ltd., Indofil Industries Ltd, Gati Import Export Trading Ltd.)	1 (Gati Kausar India Limited)	1 (Indo Count Industries Limited)	-
Membership/ Chairmanship of committees of other public companies (includes only Audit Committee and Stakeholders Relationship Committee)	-	-	-	2	2	1	-	-

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

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

Place: Hyderabad
 Date: 02nd August, 2019

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.

Item No. 6 (i) to (ii)

(i) Appointment of Mr. Sushil Jiwarajka (holding DIN: 00016680) as an Independent Director of the Company.

In accordance with the provisions of Section 149 read with Schedule IV to the Act, appointment of an Independent Director requires approval of members.

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors had appointed Mr. Sushil Jiwarajka (holding DIN:00016680) as the Additional Director – Non Executive & Independent of the Company w.e.f August 02, 2019 to hold the office till the date of this Annual General Meeting.

The Board of Directors further proposes the appointment of Mr. Sushil Jiwarajka as an Independent Director for a period of 5 years from this Annual General Meeting. The Company has received a notice in writing from a member under Section 160 of the Act proposing the candidature of Mr. Sushil Jiwarajka (holding DIN: 00016680) for the office of Independent Director of the Company. Mr. Sushil Jiwarajka (holding DIN: 00016680) is not disqualified from being appointed as a Director in terms of Section 164 of the Act and have given his consent to act as an Independent Director. The Company has received a declaration from Mr. Sushil Jiwarajka (holding DIN: 00016680) that he meets the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). In the opinion of the Board, Mr. Sushil Jiwarajka (holding DIN: 00016680) fulfils the conditions for his appointment as an Independent Director as specified in the Act and the Listing Regulations. Mr. Sushil Jiwarajka (holding DIN: 00016680) is independent of the management and possesses appropriate skills, experience and knowledge. Details of Mr. Sushil Jiwarajka (holding DIN: 00016680) are provided in the Note No. 27 to the Notice pursuant to the provisions of

(i) the Listing Regulations and (ii) Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India. Copy of draft letter of appointment of Mr. Sushil Jiwarajka (holding DIN: 00016680) setting out the terms and conditions of appointment is available for inspection by the members at the registered office of the Company. None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 6(i) of the Notice. This statement may also be regarded as an appropriate disclosure under the Listing Regulations. The Board commends the Ordinary Resolution set out at Item No. 6(i) of the Notice for approval by the members.

(ii) Appointment of Dr. Savita Date Menon (holding DIN: 08528271) as an Independent Director of the Company.

In accordance with the provisions of Section 149 read with Schedule IV to the Act, appointment of an Independent Director requires approval of members.

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors had appointed Dr. Savita Date Menon (holding DIN: 08528271) as the Additional Director – Non Executive & Independent of the Company w.e.f August 02, 2019 to hold the office till the date of this Annual General Meeting.

The Board of Directors, on the recommendation made by the Nomination and Remuneration Committee further proposes the appointment of Dr. Savita Date Menon (holding DIN: 08528271) as an Independent Director for a period of 5 years from this Annual General Meeting. The Company has received a notice in writing from a member under Section 160 of the Act proposing the candidature of Dr. Savita Date Menon (holding DIN: 08528271) for the office of Independent Director of the Company. Dr. Savita Date Menon (holding DIN: 08528271) is not disqualified from being appointed as a Director in terms of Section 164 of the Act and have given her consent to act as an Independent Director. The Company has received a declaration from Dr. Savita Date Menon (holding DIN: 08528271) that she meets the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). In the opinion of the Board, Dr. Savita Date Menon (holding DIN: 08528271) fulfils the conditions for her appointment as an Independent Director as specified in the Act and the Listing Regulations. Dr. Savita Date Menon (holding DIN: 08528271) is independent of the management and possesses appropriate skills, experience and knowledge. Details of Dr. Savita Date Menon (holding DIN: 08528271) are provided in the Note No. 27 to the Notice pursuant to the provisions of (i) the Listing Regulations and (ii) Secretarial Standard on

General Meetings (“SS-2”), issued by the Institute of Company Secretaries of India. Copy of draft letter of appointment of Dr. Savita Date Menon (holding DIN: 08528271) setting out the terms and conditions of appointment is available for inspection by the members at the registered office of the Company. None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 6(ii) of the Notice. This statement may also be regarded as an appropriate disclosure under the Listing Regulations. The Board commends the Ordinary Resolution set out at Item No. 6(ii) of the Notice for approval by the members.

Item No. 7 (i) to (v)

In terms of Section 149 and other applicable provisions of the Companies Act, 2013, members of the Company at the 19th Annual General Meeting held on August 05, 2014 approved the appointment of Mr. KL Chugh, Dr. PS Reddy, Mr. N. Srinivasan, Mr. Sunil Alagh & Mr. PN Shukla as Independent Directors of the Company for a period of 5 years from the date of 19th AGM held on August 05, 2014.

As per the provisions of Section 149 of the Companies Act, 2013, an Independent Director shall hold office for a term upto five consecutive years on the Board of a Company but shall be eligible for re-appointment, for another term of upto five years, on passing of a special resolution by shareholders. Board Proposes to reappoint them for a period of two consecutive years from August 04, 2019.

As per Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as ‘Listing Regulations’), with effect from April 1, 2019, no listed Company shall appoint or continue the Directorship of a Non-Executive Director who has attained the age of 75 years, unless a Special Resolution is passed to that effect and justification thereof is indicated in the explanatory statement annexed to the Notice for such appointment.

Our Independent Directors, Mr. Krishan Lal Chugh, Mr. Natesan Srinivasan, Mr. Pesara Sudhakar Reddy have already attained the age of 75 years and Mr. Sunil Alagh will attain the age of 75 years during his second term as an Independent Director of the Company.

The Brief Justification for appointment of such Non-Executive Independent Directors is provided at the end of this Explanatory Statement.

The Company has received intimation in Form DIR-8 from each of the Independent Directors stating that they are not disqualified from being re-appointed as an Independent Director in terms of Section 164 of the Act, declaration that they meet with the criteria of independence as prescribed under Section 149 (6) of the Companies Act, 2013 & Chapter IV of the Securities & Exchange Board of India (Listing Obligations and

Disclosure Requirements) Regulations, 2015 and their consent to get re-appointed as an Independent Director.

The resolution seeks the approval of members for the re-appointment of the Independent Directors of the Company in terms of Section 149 and other applicable provisions of the Act and Rules made there under. They are not liable to retire by rotation. In the opinion of the Board, each of these Independent Directors fulfill the conditions specified in the Act and rules made thereunder for their re-appointment as an Independent Directors and are independent of the management.

Based on the recommendations of the Nomination & Remuneration Committee and keeping in view the expertise of the directors, the Board of Directors at its meeting held on August 2, 2019 on the basis of the report of performance evaluation of Independent Directors approved the re-appointment of these Independent Directors as stated in the resolution.

The terms and conditions of re-appointment of the above Directors shall be open for inspection by the Members at the Registered Office of the Company during normal business hours on any working day.

A brief profile and other details of the Independent Directors whose appointment is proposed has been given in point no. 27 of the notes to this notice.

Mr. KL Chugh, Mr. N. Srinivasan, Dr. PS Reddy, Mr. Sunil Kumar Alagh and Mr. PN Shukla are concerned or interested in the Resolutions of the accompanying Notice relating to their own re-appointment.

Brief Justification for appointment of the directors who have already attained the age of 75 years and who will attain the age of 75 years during their second term as an Independent Director is given below:

Mr. Krishan Lal Chugh, aged 81 years is an Independent Director of our Company and was appointed on the Board in 1998. He is also the Chairman of the Company, Mr. K.L. Chugh, a Mechanical Engineer from Delhi College of Engineering (now Delhi Technological University) is also Chairman Emeritus ITC Limited.

He was Executive Chairman of ITC Group from November 1991 to December 1995 and during his years of stewardship ITC emerged as India’s #1 Company, on various criteria of Sales growth, Exports, Profit, Returns to shareholders and Market Capitalization, emerging as India’s leading homegrown MNC. On his retirement he was honored with the title of Chairman Emeritus ITC.

Mr. Chugh is credited with the creation of ITC Bhadrachalam Paperboards, within budget and before scheduled time in the remote tribal area of Andhra Pradesh. Under his leadership BPL emerged as India’s most successful and publicly decorated Paper & Board Mill. As a pioneer in introducing Clonal Biotechnology to India, its adoption has helped saved millions of natural trees and low cost pulpwood, greatly increasing

the competitiveness of the Indian Paper Industry. The company received National Productivity Awards for 3 consecutive years 1982, 1983, 1984 and a Special Award from the Hon'ble President of India in 1986. Today ITC Bhadrachalam is the largest Paperboards mill in India & amongst the top 10 in the world.

Mr. Chugh was appointed by the Govt. of India as Director on the Central Board of Reserve Bank of India, Shipping Credit and Investment Company of India Ltd., Tourism Finance Corporation of India, National Housing Bank of India, Member Board of Governors on the National Council of Applied Economic Research (NCAER), and various other bodies.

He is presently Chairman Emeritus ITC Ltd., Chairman Gati Ltd., Chairman Cosmos Consulting, Member Board of Directors of Sandhar Auto Group, Population Foundation of India, Kiwani Club New Delhi, and Member Advisory Council of the Institute of Directors and Member Board of Management of the India Energy Forum.

Mr. Chugh's current interests are management consulting, renewable energy and education.

His vast experience in various industries/ Board has been very helpful to the Company from time to time. Hence, it is recommended re-appoint him as an Independent Director for a second term of two consecutive years.

Mr. Natesan Srinivasan, aged 88 years is an Independent Director of our Company and was appointed on the Board in 2000, he is a fellow member of the Institute of Chartered Accountants of India since 1955. He was the Senior Partner of Fraser & Ross, Chartered Accountants, with Head Office in Chennai and branches at Bangalore, Coimbatore, Cochin and Hyderabad. Messrs. Fraser & Ross is a member firm of Messrs Deloitte Touche Tohmatsu International, New York one of the four big multi-national firms of chartered accountants. Mr. N. Srinivasan is closely associated with the development of the profession of accounting and auditing in India. He has been the Chairman of the Southern India Regional Council and a Central Council Member of the Institute of Chartered Accountants of India.

His vast experience in Accounting and Auditing has been very helpful to the Company from time to time. He has also been rendering his valuable guidance and advices to the Company from time to time. Hence, it is recommended re-appoint him as an Independent Director for a second term of two consecutive years.

Mr. Pesara Sudhakar Reddy, aged 82 years is an Independent Director of our Company and was appointed on the Board in 1995, he is a well-known cardiologist, humanitarian, social activist and is recognized as the creator of the Mediciti Hospital

in Hyderabad. He is recognized as one of the most distinguished sons of Hyderabad. He did his MRCP from Edinburgh, U.K. Dr. Reddy is a professor of Medicine, University of Pittsburgh and was Director of Cardiac Angio Laboratories.

He has been associated with Gati Limited since 1995 and his deep understanding of the business and industry has been very helpful to the Company from time to time.

Hence, it is recommended re-appoint him as an Independent Director for a second term of two consecutive years.

Mr. Sunil Kumar Alagh, aged 72 years is an Independent Director of our Company and was appointed on the Board in 2004. He is also Chairman of SKA Advisors, a Business Advisory / Consultancy firm with a focus on Marketing and Brand building strategies. He is a graduate in Economics (Hons.) with MBA from IIM Calcutta. He has worked with ITC Limited, Jagatjit Industries Limited and Britannia Industries Limited. He was Managing Director and CEO of Britannia Industries Limited from 1989 to 2003. During this tenure, Britannia figured in the Forbes Magazine list of 300 Best Small Companies in the world for 3 years. It also became the Number 1 food Brand in India. He was honoured with the 'Gold Medal Kashlkar Memorial Award 2000' for outstanding contribution to the food processing industry in India. He was a finalist for the Ernst and Young Entrepreneur of the Year Award, 2002.

His vast experience in various industries and his deep insight and understanding of the industry has been of immense importance to the Company. Hence, it is recommended re-appoint him as an Independent Director for a second term of two consecutive years.

Mr. PN Shukla, aged 66 years is an Independent Director of our Company and was appointed on the Board in 2012. He joined Indian Railway Traffic Service in 1976. He is a Rail transport Operations & Logistics specialist. He completed MSc Physics & LLB from Allahabad University and graduated in Business Management from Perth University, Australia. His association with Coal, Steel, POL, Cement, Fertiliser, Minerals, Containers, and Express cargo movement of Railways has been long and intense. He worked in the Ministry of Railways for nine years as Executive Director Transport, Executive Director Tourism & Catering and Executive Director, Freight Marketing. He also worked as Director of Container Corporation of India and Indian Railway Catering & Tourism Corporation. As Executive Director Freight Marketing he introduced liberalized policies for private participation in area of freight and parcel traffic.

His vast experience especially in the logistics space and his deep insight and understanding of the industry has

been of immense importance to the Company. Hence, it is recommended re-appoint him as an Independent Director for a second term of two consecutive years.

Except Mr. Krishan Lal Chugh, Dr. Pesara Sudhakar Reddy, Mr. N. Srinivasan, Mr. Sunil Alagh and Mr. Prabhu Shukla Directors of the Company, none of the Directors

or Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 7(i) to (v) of the Notice.

The Board recommends the Resolution at Item No. 7 (i) to (v) to be passed as a special resolution.

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

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

Place: Hyderabad
Date: 02nd August, 2019

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, 2019. The Consolidated Performance of your Company and its subsidiaries has been referred to wherever required.

1) Financial Highlights

(₹ in mn)

Particulars	Standalone		Consolidated	
	2018-19	2017-18	2018-19	2017-18
Total Income	5,424*	5,247*	18,792	18,143
Profit before Finance Cost, Depreciation & Amortization Expenses, Exceptional items & Tax Expenses	447	886	1,103	1,549
Less: Finance cost	151	194	453	470
Less : Depreciation and Amortization Expenses	40	50	295	300
Profit before tax & Exceptional items	256	643	355	780
Less: Exceptional items	-	236	-	236
Profit before tax	256	407	355	544
Less: Tax expenses	13	62	124	153
Profit after tax	243	345	230	391
Attributable to				
Owners of the company	243	345	183	342
Non –controlling Interest	-	-	47	49
Add: other comprehensive Income (net of Tax)	-19	2	31	-99
Total comprehensive income	224	347	199	292
Attributable to				
Owners of the company	224	347	155	244
Non –controlling Interest	-	-	44	49

* includes dividend Income from GKEPL

2) Dividend

Your Directors have recommended dividend of 40% (Re. 0.80/- per share) for the financial year ended March 31, 2019 (previous year 45%), when approved will be paid out of retained earnings.

3) Review of Operations

During the year under review, at consolidated level, your Company achieved a revenue of ₹ 18,792 mn, EBITDA of ₹ 1,103 mn, PBT of ₹ 355 mn and PAT of ₹ 230 mn as against a revenue of ₹ 18,143 mn, EBITDA of ₹ 1,549 mn, PBT of ₹ 544 mn and PAT of ₹ 391 mn respectively in the previous year.

At standalone level, your Company recorded revenue of ₹ 5,424 mn, EBITDA of ₹ 447 mn, PBT of ₹ 256 mn and PAT of ₹ 243 mn as against revenue of ₹ 5,247 mn, EBITDA of ₹ 886 mn, PBT of ₹ 407 mn and PAT of ₹ 345 mn in the previous year.

4) Company's performance

Gati Ecommerce Business

The e-commerce retail industry in India has grown at a substantial rate, majorly driven by increasing internet penetration (450 mn + internet users in India) and smart phone usage. Some of the challenges that confront the sector and which, in a way, are shaping the ways the e-commerce retail supply chain functions include changing government policies, rising consumer expectations and amplified demand for same-day deliveries. As dynamic as it is, it is also experiencing the rise of new business models like omni channel retailing and new business models for last mile delivery like delivery through local retailers. Logistics requirements for the e-commerce retail sector are getting reshaped by continuously evolving business demands.

The ecommerce retail logistics market in India is valued at around ₹ 100 billion in 2018, and is projected to witness a growth of more than 30% in the coming

five years and amounting to 19 lakh shipments per day, signalling an upward growth trajectory of the sector with logistics being seen as a key enabler in its growth.

During the year under review, your company's e-commerce segment strived towards increasing the share of higher weight shipments and as result saw the charged weight rise between FY 2018 and FY 2019. During the year under review, the e-Commerce division of your company has recorded revenue of ₹ 178 Crores as against ₹ 160 Crores in the previous period.

We are re-positioning ourselves for the End to End Logistics play beyond First Mile & Last Mile Business to expand into Middle Mile Transportation and e-fulfilment Warehousing. Our focus is to develop efficient solutions to address the current challenges of the industry like reaching difficult locations (e.g. East, North East, Central heartland of India). 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.

Gati Standalone Freight Forwarding and APAC Performance

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 ₹ 465 mn in FY 2018 to ₹ 340 mn in FY 2019. Going forward we are strong footed in promoting Last Mile Delivery (LMD) service for all small and large e-tailers from china.

Your company's APAC subsidiary revenues stood at ₹ 580 mn in FY 2019 compared to ₹ 767 mn in FY 2018. Our APAC business is eyeing a China-India express volume increase due to growing cross-border e-commerce. Your company will continue to support sellers on online platforms to participate in cross-border e-Commerce to grow the APAC business.

Gati Standalone Fuel Station Performance

Your Company operates in fuel station segment and associated products like motor parts and lubricants under the Standalone business. Presently, it runs five fuel stations mostly in South and Central India with the business growing from ₹ 2,399 mn in FY 2018 to ₹ 2,921 mn in FY 2019. Our Gati Fuel station in Bengaluru completed 50 years of its successful operations this year. Your company starting deploying female staff at the Gati Fuel station, Nagasandra, Bengaluru as a showcase of its commitment towards equal opportunity and women empowerment.

Gati-Kintetsu Express Pvt Ltd. (GKEPL)

GKEPL for the last 3 decades, is India's proven leader in imparting Express Distribution and Supply Chain Solutions and offers an unmatched service offering

that blends local experience with global expertise. During the year under review, GKEPL recorded revenue of ₹ 12,335 mn, EBITDA of ₹ 754 mn and PAT of ₹ 270 mn against a revenue of ₹ 11,695 mn, EBITDA of ₹ 743 mn and PAT of ₹ 310 mn in the previous year.

GKEPL for the 1st three Quarters of FY 2019 had registered a good growth across its service segments and customer verticals. In Q4 the market was sluggish, particularly, the automobile, pharmaceutical, computers & electronics and textiles segment, which are some of the key verticals that your company operates in. The economic slowdown and consequentially the reduced business of customers had a direct impact on your company's performance in the last quarter of FY 2019.

Your company has been significantly driving strategic actions to re-position its growth by focusing on Key Enterprise accounts (KEA), Industry diversification and driving end-to-end solutions for the customers. Also, there is a significant drive on the part of your company for cost reduction & operational efficiency improvement. With the objective of inculcating the thought of 'Quality is Everyone's Shared Responsibility', there has been a continuous quality specific trainings and KAIZEN projects across the organization. With regard to the latest regulations relating to pollution control, your company has plans to purchase vehicles in compliance with the Bharat Stage (Euro) norms, i.e. BS IV Version for long haul and Electric vehicles and CNG for last mile delivery. On the operations front, your company is planning to further increase its capacity and capability by adding more pin codes & operating units to serve a larger customer base efficiently.

Gati Kausar India Ltd. (GKIL)

The Indian cold chain market was worth ₹ 1,121 Billion in 2018. The market is further projected to reach ₹ 2,618 Billion by 2024, growing at a CAGR of 14.8% during 2019-2024. The major driving forces of this sector are: (a) Growth in the organised food retail, (b) Growth in the processed food sector, (c) Consumers demanding and shifting to a healthy lifestyle (d) Increasing demand from healthcare sector.

During the year under review, Gati Kausar recorded a revenue of ₹ 442 mn compared to ₹ 390 mn in the previous year. The EBITDA improved to a positive ₹ 28 mn against a minus ₹ 33 mn in the previous year.

Going forward, your company endeavours to disrupt the Cold Chain market with unmatched quality, differentiated & customized services. We added a new fleet and streamlined our operations in FY 2019 and there is continued focus to eliminate waste and have a leaner operation in the coming financial year.

Gati Import Export Trading Limited (GIETL)

Gati Import Export Trading Limited (GIETL) subsidiary is uniquely positioned to provide excellent connectivity and regional access to global enterprises and operate highly complex inventory management systems. The revenues rose from ₹ 792 mn in FY 2018 to ₹ 1,095 mn in FY 2019.

Your company's strategy is to provide high margin Importer of Record (IOR) services for overseas sellers looking to grow their e-Commerce business in India and profitable domestic services for sellers looking for customised inventory ownership model with end-to-end supply chain solutions.

Branding

Your company focused on showcasing its strengths in the end to end logistics space amongst its existing customers and potential market. There was considerable increase in the number of new kiosks and the amount of marketing support to these channel partners. We participated in various logistics industry & consumer vertical conferences and received numerous awards from industry bodies and esteemed customers. Your company also achieved a critical milestone in by opening the first ever kiosk by a logistics company at the Chennai Airport for the Excess Baggage services for airline passengers.

5) 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").

A separate statement containing the salient features of financial statement of all subsidiaries of the company in the prescribed Form AOC - 1 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).

6) Reserves

On a standalone basis, your directors have decided to retain the entire amount of ₹ 242.53 mn in the retained earnings.

7) Fixed deposits (FD)

As on March 31, 2019, fixed deposits of your Company stood at ₹ 141.58 mn out of which ₹ 5.68 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 ₹ 36.69 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 "BBB" issued by Credit Analysis and Research Limited (CARE).

8) 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 offered himself for re-appointment.

Further, Mr. KL Chugh, Dr. PS Reddy, Mr. N Srinivasan, Mr. Sunil Alagh & Mr. PN Shukla will complete their present term as an Independent Director on August 04, 2019.

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

During the year under review, Mr. Manoj Gupta, Chief Financial Officer of the Company resigned w.e.f. July 31, 2018 and Mr. Amit Pathak, Company Secretary and Compliance Officer of the Company resigned w.e.f. December 31, 2018. Your directors place on record their sincere appreciation for the valuable contribution made by Mr. Manoj Gupta & Mr. Amit Pathak during their tenure.

During the year under review, Pursuant to Regulation 17(1A) of the Securities and Exchange Board of India Limited, the members of the Company approved the continuation of directorship of Mr. KL Chugh, Mr. N Srinivasan and Dr. PS Reddy.

Your Company has appointed Mr. Peter H. Jayakumar as the Chief Financial Officer of the Company in the board meeting held on May 28, 2019 and Mrs. T.S. Maharani as the Company Secretary of the Company w.e.f August 02, 2019 in the Board Meeting held on August 02, 2019.

Further, in the meeting held on August 02, 2019, the board approved the reappointment of Mr. KL Chugh, Mr. N Srinivasan, Mr. Sunil Alagh, Dr. PS Reddy and Mr. PN Shukla as Independent Directors of the Company for a second term of two consecutive years w.e.f August 04, 2019 subject to approval of the members at this Annual General Meeting.

The Board of Directors also appointed two Additional Directors (Non Executive & Independent), Mr Sushil Jiwrajka and Dr. Savita Date Menon w.e.f August 02, 2019.

9) 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.

10) 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.

11) Investment Committee

During the Financial Year 2018-19, The Board of Directors of your Company constituted Investment

Committee with Mr. PN Shukla as the Chairman & Mr. N Srinivasan as the Member of the Committee.

The Main objective of the Investment Committee is to assist the Board and the Company in overseeing acquisitions, investments and disinvestment made by the Company and to provide oversight on key financial policies of the Company.

Investment Committee regularly monitors working of subsidiary companies and advances given to them and recommend remedial action wherever necessary.

12) 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.

13) 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.

14) Board Committees

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

15) 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.

16) 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.

17) 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.

During the year the Company had spent ₹ 32.25 lakhs towards various social welfare activities which specifically did not qualify as CSR expenditure.

18) 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.

19) Meetings of the Board and Committees

Eight 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.

20) 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.

21) Policy on prevention of Sexual Harassment at Workplace

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

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

During the Financial Year 2018-19, one case was reported and was appropriately dealt with by the Internal Complaints Committee.

22) 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.

23) 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:

- a) That in the preparation of the Accounts for the financial year ended March 31, 2019, 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;
- b) That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company as at March 31, 2019 and of the profit and loss of the Company for the financial year ended March 31, 2019;

- c) 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;
- d) That the accounts have been prepared on 'going concern' basis;
- e) The directors had laid down internal financial controls to be followed by the company and such internal financial controls are adequate and the Company is constantly endeavouring to improve the standards of internal control in various areas and taking steps to strengthen the internal control system to make it commensurate and effective with the nature of its business;
- f) The directors have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

24) 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**.

25) 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.

26) 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, 2019, which forms part to the Statutory Auditors Report.

27) 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 ₹ 5,12,534/- pertaining to the FY 2010-11. Further, 47,160 corresponding shares were transferred as per the requirement of IEPF rules. The details are also available on our website i.e. www.gati.com.

28) Auditors

a) Statutory Auditors

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

till the conclusion of the 27th AGM. 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, 2019 on the financial statement of the Company is a part of this Annual Report. The Auditors have given a qualified opinion as described below:

On Standalone Financial Statements

- (i) Auditors Qualification given in point no. (i) Regarding income tax demand and (ii) regarding operational advances to few parties under the head "Basis of Qualified Opinion" in the Auditor's Report on standalone financial statements read with note no. 46 & 47 of the standalone financial statements are self-explanatory.

Board's Comment:

- (a) Regarding Income Tax Demand: The Financial Note is self explanatory. In the unlikely event of the demand, we sustained an appeal to the High Court that MAT Credit Available in the next three accounting years would be more than the demand in question and there wouldn't be any significant cashflow in this regard.
- (b) Regarding Ovedue Advances: There has been substantial recovery during the financial year and the note is self explanatory.
- (ii) Independent Auditor has also drawn attention in their report for emphasis of matter read with Note No. 48 & 49 to the standalone financial statements, which is self explanatory.

On Consolidated Financial Statements

- (i) Auditors Qualification given in point no. (i), (ii) and (iii) under the head "Basis of Qualified Opinion" in the Auditor's Report on consolidated financial statements read with note no. 54, 55 & 57 of the consolidated financial statements are self-explanatory and do not call for any further comments.
- (ii) Independent Auditor has also drawn attention in their report for emphasis of matter read with

Note No. 56, 58 & 59 to the standalone financial statements, which is self explanatory.

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 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:

- (a) Chief Financial Officer resigned on July 31, 2018 and the Company did not fill the vacancy within 6 months as contemplated under Section 203 of the Companies Act 2013.
- (b) Compliance Officer as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has not been complied.

Board's Comment:

- (a) The position of Chief Financial Officer fell vacant from 01.08.2018 to 27.05.2019 and was not filled up during the year. The new Chief Financial Officer of was appointed by the Company w.e.f May 28, 2019.
- (b) The Compliance officer of the Company resigned w.e.f December 31, 2018 and was not filled up during the year. Further, the Board of Directors in its meeting held on August 02, 2019 appointed Mrs. T.S Maharani as the Company Secretary and Compliance Officer of the Company w.e.f August 02, 2019.

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

29) 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**.

30) Employees Stock Option Scheme

Your Company has two Employee Stock Option Schemes namely ESOS 2006 & ESOS 2007. During the year Company allotted 1,95,342 shares pursuant to Employee Stock Options. The Schemes are in line with the SEBI (Share Based Employee Benefits) Regulations, 2014 ("SBEB Regulations") and there have been no material changes to the schemes during the financial year 2018-19. 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.

31) 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, 1,95,342 equity shares were allotted on exercise of the options vested under the Employee Stock Option Scheme. Consequently, the Equity Share Capital of your Company increased from ₹ 21,66,93,590/- comprising of 10,83,46,795 equity shares of ₹ 2/- each to ₹ 21,70,84,274/- comprising of 10,85,42,137 equity shares of ₹ 2/- each as on March 31, 2019.

32) Company's Policies

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

33) 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.

34) 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.

35) 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, 2019) and the date of the report (August 02, 2019).
7. Company is not required to maintain cost records under Section 148(1) of the Companies Act, 2013.
8. The policy for determining material subsidiaries of the Company has been provided on the Company's website at www.gati.com

36) 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

Place: Hyderabad
Date: August 02, 2019

K L Chugh
Chairman
DIN: 00140124

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 2018-19 and percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer and Company Secretary during the financial year 2018-19, 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 2018-19
Mr. Mahendra Agarwal - Founder & CEO(%)	NA	NA
Mr. Manoj Gupta, CFO(\$)	^	^^
Mr. Amit Pathak, Company Secretary(#)	*	**

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

(\$) Resigned as the CFO w.e.f. 31 July, 2018.

(#) Resigned as the Company Secretary w.e.f. 31 December, 2018

^ 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 FY19 is not comparable with remuneration received in FY18 owing to his resignation w.e.f July 31, 2018 and hence, not stated.

*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 FY19 is not comparable with remuneration received in FY18 owing to his resignation w.e.f December 31, 2018 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 8%.
- iii) The number of permanent employees on the rolls of company as on March 31, 2019: 1104.
- 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 2018-19.

Annexure – B

Annual Report on Corporate Social Responsibility (CSR) Activities For The Financial Year 2018-19

- | | |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs | Gati to be a socially responsible corporate by fulfilling its responsibilities as a member of the society and community, thereby creating a positive impact to the stakeholders with a concern towards the environment. The programs include Education, Community, Environment Sustainability and Rural Development Projects & Donations. The CSR Policy of the Company is available on the website of the Company i.e. http://www.gati.com/wp-content/uploads/2015/08/Gati-CSR-Policy.pdf |
| 2. The Composition of the CSR Committee | <ol style="list-style-type: none"> 1. Ms. Sheela Bhide, Chairperson 2. Dr. P S Reddy, Member 3. Mr. Mahendra Agarwal, Member |
| 3. Average net profit of the Company for last three financial years for the purpose of computation of CSR | ₹ 329.29 Mn |
| 1. Prescribed CSR Expenditure (two percent of the amount as in item 3 above) | ₹ 6.51 Mn |
| 5. Details of CSR spent during the financial year 2018-19: | |
| a. Total amount to be spent for the financial year 2018-19. | ₹ 13.2 Mn (includes ₹ 6.69 Mn unspent for FY 2017-18) |
| b. Amount unspent, if any | ₹ 13.2 Mn |

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

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No	CSR project or activity Identified	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or Programs wise	Amount spent on the projects or Programs Subheads: (1) Direct expenditure on projects or Programs. (2) Overheads:	Cumulative expenditure upto to the reporting period	Amount spent: Direct or through implementing agency

NIL

6. In case the company has failed to spend the two percent of the average net profit of the last three financial year or any part thereof, the company shall provide the reason for not spending the amount in its Board Report:-

During the year the Company had spent ₹ 32.25 lakhs towards various social welfare activities which specifically did not qualify as CSR expenditure.

7. The CSR Committee confirms that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and policy of the Company.

Place: Hyderabad
 Date: August 02, 2019

Mahendra Agarwal
 Founder & CEO
 DIN: 00179779

Sheela Bhide
 Chairperson, CSR Committee
 DIN: 01843547

Annexure – C

Form No. MGT-9 Extract of Annual Return

As on the financial year ended March 31, 2019

[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: investor.services@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 Fintech 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.karvyfintech.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	43.47%
2)	Retail sale of automotive fuel in specialized store (including the activity of petrol filling stations)	47300	56.53%

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., 1-7-285, M. G. Road, Secunderabad-500 003	U74899TG1984PLC089495	Subsidiary	79.88	2 (87)

S. no	Name and Address of the Company & PIN	CIN / GLN	Holding / Subsidiary / Associate	% of Shares held	Applicable Section of Companies Act, 2013
3)	Gati Import Export Trading Ltd., 1-7-293, 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., 1-7-293, M. G. Road, Secunderabad-500 003	U63030TG2011PTC072285	Subsidiary	100.00	2 (87)
6)	Gati Projects Pvt. Ltd., 1-7-293, 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 Logis Tech 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., 1-7-293, M.G.Road, Secunderabad-500 003	U61100TG2010PLC070699	Associate	47.95	2 (6)

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

i) Category-wise shareholding

Category Code	Category of Shareholder	No. of Shares Held at the Beginning of the year 31/03/2018				No. of Shares Held at the end of the year 31/03/2019				% Change During the year
		Demat	Physical	Total	% Of Total Shares	Demat	Physical	Total	% Of Total Shares	
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)	(X)	(XI)
(I)	(A) PROMOTER AND PROMOTER GROUP									
	(1) INDIAN									
(a)	Individual /HUF	7135683	0	7135683	6.59	6872183	0	6872183	6.33	-0.25
(b)	Central Government/State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Bodies Corporate	9616117	0	9616117	8.88	5902177	0	5902177	5.44	-3.44
(d)	Financial Institutions / Banks	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Others(Trusts)	10215101	0	10215101	9.43	9875735	0	9875735	9.10	-0.33
	Sub-Total A(1) :	26966901	0	26966901	24.89	22650095	0	22650095	20.87	-4.02

Category Category of Shareholder Code		No. of Shares Held at the Beginning of the year 31/03/2018				No. of Shares Held at the end of the year 31/03/2019				% Change During the year
		Demat	Physical	Total	% Of Total Shares	Demat	Physical	Total	% Of Total Shares	
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)	(X)	(XI)
(2)	FOREIGN									
(a)	Individuals (NRIs/Foreign Individuals)	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Institutions	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Others	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total A(2) :	0	0	0	0.00	0	0	0	0.00	0.00
	Total A=A(1)+A(2)	26966901	0	26966901	24.89	22650095	0	22650095	20.87	-4.02
(B)	PUBLIC SHAREHOLDING									
(1)	INSTITUTIONS									
(a)	Mutual Funds /UTI	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Financial Institutions /Banks	251389	53145	304534	0.28	408308	53145	461453	0.43	0.14
(c)	Central Government / State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
(f)	Foreign Institutional Investors	7252557	745	7253302	6.69	6834578	745	6835323	6.30	-0.40
(g)	Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
(h)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(i)	Others	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total B(1) :	7503946	53890	7557836	6.98	7242886	53890	7296776	6.72	-0.25
(2)	NON-INSTITUTIONS									
(a)	Bodies Corporate	8036406	19860	8056266	7.44	14243860	13880	14257740	13.14	5.70
(b)	Individuals									
(i)	Individuals holding nominal share capital upto ₹1 lakh	31639898	825397	32465295	29.96	33291004	755841	34046845	31.37	1.40
(ii)	Individuals holding nominal share capital in excess of ₹1 lakh	5417096	0	5417096	5.00	8157755	0	8157755	7.52	2.52
(c)	Others									
	CLEARING MEMBERS	502334	0	502334	0.46	332854	0	332854	0.31	-0.16
	DIRECTORS	239000	0	239000	0.22	199000	0	199000	0.18	-0.04
	FOREIGN BODIES	4329114	0	4329114	4.00	4329114	0	4329114	3.99	-0.01
	F C B	18972331	0	18972331	17.51	14269755	0	14269755	13.15	-4.36
	FOREIGN NATIONALS	360	0	360	0.00	360	0	360	0.00	0.00
	I E P F	455138	0	455138	0.42	502298	0	502298	0.46	0.04
	NBFC	55951	0	55951	0.05	554327	0	554327	0.51	0.46
	NON RESIDENT INDIANS	1339215	105220	1444435	1.33	1318512	97710	1416222	1.30	-0.03
	NRI NON-REPATRIATION	1877683	0	1877683	1.73	491941	0	491941	0.45	-1.28
	TRUSTS	7055	0	7055	0.01	37055	0	37055	0.03	0.03
(d)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total B(2) :	72871581	950477	73822058	68.13	77727835	867431	78595266	72.41	4.27
	Total B=B(1)+B(2) :	80375527	1004367	81379894	75.11	84970721	921321	85892042	79.13	4.02
	Total (A+B) :	107342428	1004367	108346795	100.00	107620816	921321	108542137	100.00	0.00

Category Code	Category of Shareholder	No. of Shares Held at the Beginning of the year 31/03/2018				No. of Shares Held at the end of the year 31/03/2019				% Change During the year
		Demat	Physical	Total	% Of Total Shares	Demat	Physical	Total	% Of Total Shares	
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)	(X)	(XI)
(C)	Shares held by custodians, against which Depository Receipts have been issued									
(1)	Promoter and Promoter Group									
(2)	Public	0	0	0	0.00	0	0	0	0.00	0.00
GRAND TOTAL (A+B+C):		107342428	1004367	108346795	100.00	107620816	921321	108542137	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 shares pledged / of the encumbered to Company	No of shares	% of total shares	% of shares pledged / encumbered to the total shares	
TCI Finance Limited	4682455	4.32	4.06	1095015	1.01	0.99	(3.31)
Mahendra Investments Advisors Private Limited	3091377	2.86	2.86	3064877	2.82	2.82	(0.04)
Mahendra Kumar Agarwal	3184188	2.94	2.93	3184188	2.93	2.92	(0.01)
Mahendra Kumar Agarwal (HUF)	3951495	3.65	3.64	3687995	3.40	3.39	(0.25)
Dhruv Agarwal Benefit Trust	2461200	2.27	2.24	2393700	2.20	2.17	(0.07)
Manish Agarwal Benefit Trust	2153906	1.99	1.90	1882040	1.73	1.66	(0.26)
Bunny Investments And Finance Private Limited	1454972	1.34	1.31	1454972	1.33		(0.01)
Jubilee Commercial & Trading Pvt. Ltd.	387313	0.36	0.36	287313	0.26	0.17	(0.1)
Neera and Children Trust	5599995	5.17	--	5599995	5.16	--	(0.01)
Total	26966901	24.90	19.29	22650095	20.87	15.48	(4.03)

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

Shareholders 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	4682455	4.32	15.06.2018	(16000)	Transfer/sell	4666455	4.30
			16.11.2018	(105000)	Transfer/sell	4561455	4.20
			15.02.2019	(179360)	Transfer/sell	4382095	4.03
			08.03.2019	(3287080)	Transfer/sell	1095015	1.01
			31.03.2019	--	--	1095015	1.01
Mahendra Investments Advisors Private Limited	3091377	2.86	31.12.2018	(26500)	Transfer/sell	3720991	3.44
			31.03.2019	--	--	3064877	2.82
Mahendra Kumar Agarwal	3184188	2.94	--	--	--	3184188	2.92
Mahendra Kumar Agarwal (HUF)	3951495	3.65	06.04.2018	(350000)	Transfer/sell	3601495	3.31
			29.06.2018	64000	Transfer/buy	3665495	3.37
			03.08.2018	(400000)	Transfer/sell	3265495	3.00
			07.09.2018	380000	Transfer/buy	3645495	3.36
			28.09.2018	160000	Transfer/buy	3805495	3.50
			05.10.2018	(116000)	Transfer/sell	3689495	3.40
			30.11.2018	21000	Transfer/buy	3710495	3.41
			07.12.2018	(5000)	Transfer/sell	3705495	3.41
			21.12.2018	100000	Transfer/buy	3805495	3.51
			31.12.2018	(21500)	Transfer/ sell	3783995	3.49
			15.02.2019	(20000)	Transfer/ sell	3763995	3.46
			01.03.2019	(26000)	Transfer/ sell	3737995	3.44
			29.03.2019	(50000)	Transfer/ sell	3687995	3.40
			31.03.2019	--	--	3687995	3.40
Dhruv Agarwal Benefit Trust	2461200	2.27	01.06.2018	(42500)	Transfer/sell	2418700	2.23
			08.06.2018	(5000)	Transfer/sell	2413700	2.22
			29.06.2018	(20000)	Transfer/sell	2393700	2.20
			31.03.2019	-	-	2393700	2.20
Manish Agarwal Benefit Trust	2153906	1.99	25.05.2018	(25000)	Transfer/sell	2128906	1.96
			01.06.2018	(46500)	Transfer/sell	2082406	1.92
			08.06.2018	62634	Transfer/buy	2145040	1.97
			29.06.2018	(40000)	Transfer/sell	2105040	1.94
			07.09.2018	(55000)	Transfer/sell	2050040	1.89
			14.09.2018	55000	Transfer/buy	2105040	1.94
			05.10.2018	(450000)	Transfer/ sell	1655040	1.52
			30.11.2018	227000	Transfer/ buy	1882040	1.73
31.03.2019	--	--	1882040	1.73			
Bunny Investments And Finance Private Limited	1454972	1.34	--	--	--	1454972	1.33

Shareholders 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
Jubilee Commercial & Trading Pvt. Ltd.	387313	0.36	08.06.2018	(100000)	Transfer/sell	287313	0.26
			05.10.2018	(5000)	Transfer/sell	282313	0.26
			07.12.2018	5000	Transfer/ buy	287313	0.26
			31.03.2019	--	--	287313	0.26
Neera and Children Trust	5599995	5.17	--	--	--	5599995	5.16

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

Sl no	Name of the Share Holder	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	9874726	9.11	27/04/2018	-1286897	Transfer/Sell	8587829	7.92
				01/06/2018	-40204	Transfer/Sell	8547625	7.88
				08/06/2018	-60091	Transfer/Sell	8487534	7.83
				15/06/2018	-100000	Transfer/Sell	8387534	7.73
				22/06/2018	-117500	Transfer/Sell	8270034	7.63
				29/06/2018	-335279	Transfer/Sell	7934755	7.32
				03/08/2018	-100000	Transfer/Sell	7834755	7.22
				31/03/2019			7834755	7.22
2	GOLDMAN SACHS INTERNATIONAL	9097605	8.40	25/05/2018	-127729	Transfer/Sell	8969876	8.27
				01/06/2018	-1021901	Transfer/Sell	7947975	7.33
				22/06/2018	-427840	Transfer/Sell	7520135	6.93
				01/03/2019	-564149	Transfer/Sell	6955986	6.41
				08/03/2019	-520986	Transfer/Sell	6435000	5.93
				31/03/2019			6435000	5.93
3	NEW HORIZON OPPORTUNITIES MASTER FUND	5000000	4.61				5000000	4.61
				31/03/2019			5000000	4.61
4	KINTETSU WORLD EXPRESS INC	4329114	4.00				4329114	4.00
				31/03/2019			4329114	3.99

Sl no	Name of the Share Holder	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
5	THIAGARAJAR MILLS PRIVATE LIMITED	0	0.00	16/11/2018	105000	Transfer/ Buy	105000	0.10
				15/02/2019	179360	Transfer/ Buy	284360	0.26
				08/03/2019	3287080	Transfer/ Buy	3571440	3.29
				15/03/2019	-110000	Transfer/Sell	3461440	3.19
				22/03/2019	-45000	Transfer/Sell	3416440	3.15
				29/03/2019	-69000	Transfer/Sell	3347440	3.08
				31/03/2019			3347440	3.08
6	AMAL N PARIKH	1410203	1.30	27/04/2018	-500000	Transfer/Sell	910203	0.84
				11/05/2018	-100000	Transfer/Sell	810203	0.75
				18/05/2018	-57140	Transfer/Sell	753063	0.69
				29/06/2018	-16431	Transfer/Sell	736632	0.68
				20/07/2018	-298283	Transfer/Sell	438349	0.40
				03/08/2018	-438349	Transfer/Sell	0	0.00
				31/03/2019			0	0.00
				31/03/2019			1410203	1.30
7	MEERA MADHUSUDAN SINGH	294776	0.27	06/04/2018	-50000	Transfer/Sell	244776	0.23
				30/11/2018	862700	Transfer/Buy	1107476	1.02
				14/12/2018	6300	Transfer/Buy	1113776	1.03
				01/03/2019	-10000	Transfer/Sell	1103776	1.02
				31/03/2019			1103776	1.02
				31/03/2019			294776	0.27
8	GLOBE CAPITAL MARKET LTD	376802	0.35	06/04/2018	313	Transfer/ Buy	377115	0.35
				06/04/2018	-14137	Transfer/Sell	362978	0.34
				13/04/2018	39580	Transfer/ Buy	402558	0.37
				13/04/2018	-36349	Transfer/Sell	366209	0.34
				20/04/2018	20577	Transfer/ Buy	386786	0.36
				20/04/2018	-20060	Transfer/Sell	366726	0.34
				27/04/2018	29442	Transfer/ Buy	396168	0.37
				27/04/2018	-187955	Transfer/Sell	208213	0.19
				04/05/2018	94304	Transfer/ Buy	302517	0.28
				04/05/2018	-7379	Transfer/Sell	295138	0.27
				11/05/2018	34215	Transfer/ Buy	329353	0.30
				11/05/2018	-28317	Transfer/Sell	301036	0.28
				18/05/2018	2124	Transfer/ Buy	303160	0.28
				18/05/2018	-5500	Transfer/Sell	297660	0.27
				25/05/2018	19	Transfer/ Buy	297679	0.27

SI no	Name of the Share Holder	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
				25/05/2018	-19336	Transfer/Sell	278343	0.26
				01/06/2018	10808	Transfer/ Buy	289151	0.27
				01/06/2018	-2408	Transfer/Sell	286743	0.26
				08/06/2018	971	Transfer/ Buy	287714	0.27
				08/06/2018	-8195	Transfer/Sell	279519	0.26
				15/06/2018	12756	Transfer/ Buy	292275	0.27
				15/06/2018	-2150	Transfer/Sell	290125	0.27
				22/06/2018	5267	Transfer/ Buy	295392	0.27
				22/06/2018	-10010	Transfer/Sell	285382	0.26
				29/06/2018	130655	Transfer/ Buy	416037	0.38
				29/06/2018	-117002	Transfer/Sell	299035	0.28
				30/06/2018	50000	Transfer/ Buy	349035	0.32
				30/06/2018	-50000	Transfer/Sell	299035	0.28
				06/07/2018	224901	Transfer/ Buy	523936	0.48
				06/07/2018	-4185	Transfer/Sell	519751	0.48
				13/07/2018	114015	Transfer/ Buy	633766	0.58
				13/07/2018	-34038	Transfer/Sell	599728	0.55
				20/07/2018	669	Transfer/ Buy	600397	0.55
				20/07/2018	-12025	Transfer/Sell	588372	0.54
				27/07/2018	127814	Transfer/ Buy	716186	0.66
				27/07/2018	-98324	Transfer/Sell	617862	0.57
				03/08/2018	489338	Transfer/ Buy	1107200	1.02
				03/08/2018	-4463	Transfer/Sell	1102737	1.02
				10/08/2018	309440	Transfer/ Buy	1412177	1.30
				10/08/2018	-235000	Transfer/Sell	1177177	1.09
				17/08/2018	22340	Transfer/ Buy	1199517	1.11
				17/08/2018	-285	Transfer/Sell	1199232	1.11
				24/08/2018	61722	Transfer/ Buy	1260954	1.16
				24/08/2018	-401	Transfer/Sell	1260553	1.16
				31/08/2018	247250	Transfer/ Buy	1507803	1.39
				31/08/2018	-250222	Transfer/Sell	1257581	1.16
				07/09/2018	237674	Transfer/ Buy	1495255	1.38
				07/09/2018	-224573	Transfer/Sell	1270682	1.17
				14/09/2018	6300	Transfer/ Buy	1276982	1.18
				14/09/2018	-3497	Transfer/Sell	1273485	1.17
				21/09/2018	7644	Transfer/ Buy	1281129	1.18
				21/09/2018	-6310	Transfer/Sell	1274819	1.17
				28/09/2018	655	Transfer/ Buy	1275474	1.18
				28/09/2018	-6382	Transfer/Sell	1269092	1.17

Sl no	Name of the Share Holder	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
				29/09/2018	-5400	Transfer/Sell	1263692	1.16
				05/10/2018	244241	Transfer/ Buy	1507933	1.39
				05/10/2018	-235934	Transfer/Sell	1271999	1.17
				12/10/2018	2367	Transfer/ Buy	1274366	1.17
				12/10/2018	-1000	Transfer/Sell	1273366	1.17
				19/10/2018	10225	Transfer/ Buy	1283591	1.18
				19/10/2018	-179	Transfer/Sell	1283412	1.18
				26/10/2018	163	Transfer/ Buy	1283575	1.18
				26/10/2018	-15970	Transfer/Sell	1267605	1.17
				02/11/2018	4819	Transfer/ Buy	1272424	1.17
				02/11/2018	-1148	Transfer/Sell	1271276	1.17
				09/11/2018	300	Transfer/ Buy	1271576	1.17
				09/11/2018	-11336	Transfer/Sell	1260240	1.16
				16/11/2018	29143	Transfer/ Buy	1289383	1.19
				16/11/2018	-28898	Transfer/Sell	1260485	1.16
				23/11/2018	-26994	Transfer/Sell	1233491	1.14
				30/11/2018	3219	Transfer/ Buy	1236710	1.14
				30/11/2018	-101427	Transfer/Sell	1135283	1.05
				07/12/2018	135999	Transfer/ Buy	1271282	1.17
				07/12/2018	-116845	Transfer/Sell	1154437	1.06
				14/12/2018	100100	Transfer/ Buy	1254537	1.16
				14/12/2018	-102057	Transfer/Sell	1152480	1.06
				21/12/2018	15265	Transfer/ Buy	1167745	1.08
				21/12/2018	-322	Transfer/Sell	1167423	1.08
				28/12/2018	361	Transfer/ Buy	1167784	1.08
				28/12/2018	-7093	Transfer/Sell	1160691	1.07
				31/12/2018	380	Transfer/ Buy	1161071	1.07
				31/12/2018	-30	Transfer/Sell	1161041	1.07
				04/01/2019	171	Transfer/ Buy	1161212	1.07
				04/01/2019	-16457	Transfer/Sell	1144755	1.05
				11/01/2019	2168	Transfer/ Buy	1146923	1.06
				11/01/2019	-4193	Transfer/Sell	1142730	1.05
				18/01/2019	615	Transfer/ Buy	1143345	1.05
				25/01/2019	2869	Transfer/ Buy	1146214	1.06
				25/01/2019	-1028	Transfer/Sell	1145186	1.06
				01/02/2019	30	Transfer/ Buy	1145216	1.06
				01/02/2019	-2470	Transfer/Sell	1142746	1.05
				08/02/2019	52481	Transfer/ Buy	1195227	1.10
				08/02/2019	-54463	Transfer/Sell	1140764	1.05

SI no	Name of the Share Holder	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
				15/02/2019	75491	Transfer/ Buy	1216255	1.12
				15/02/2019	-68935	Transfer/Sell	1147320	1.06
				22/02/2019	62487	Transfer/ Buy	1209807	1.11
				22/02/2019	-82610	Transfer/Sell	1127197	1.04
				01/03/2019	130333	Transfer/ Buy	1257530	1.16
				01/03/2019	-160745	Transfer/Sell	1096785	1.01
				08/03/2019	69	Transfer/ Buy	1096854	1.01
				08/03/2019	-24077	Transfer/Sell	1072777	0.99
				15/03/2019	27885	Transfer/ Buy	1100662	1.01
				15/03/2019	-25839	Transfer/Sell	1074823	0.99
				22/03/2019	72440	Transfer/ Buy	1147263	1.06
				22/03/2019	-93120	Transfer/Sell	1054143	0.97
				29/03/2019	500094	Transfer/ Buy	1554237	1.43
				29/03/2019	-520870	Transfer/Sell	1033367	0.95
				31/03/2019			1033367	0.95
9	PRAVEEN K MANIVANNAN	800200	0.74				800200	0.74
				31/03/2019			800200	0.74
10	DIMENSIONAL EMERGING MARKETS VALUE FUND	585547	0.54				585547	0.54
				13/04/2018	13845	Transfer/ Buy	599392	0.55
				27/04/2018	26963	Transfer/ Buy	626355	0.58
				11/05/2018	32549	Transfer/ Buy	658904	0.61
				18/05/2018	66538	Transfer/ Buy	725442	0.67
				25/05/2018	36419	Transfer/ Buy	761861	0.70
				16/11/2018	-14639	Transfer/Sell	747222	0.69
				07/12/2018	-15164	Transfer/Sell	732058	0.67
				14/12/2018	-16833	Transfer/Sell	715225	0.66
				08/02/2019	-27729	Transfer/Sell	687496	0.63
				15/02/2019	-73242	Transfer/Sell	614254	0.57
				31/03/2019			614254	0.57
11	RELIANCE FINANCIAL LIMITED	585000	0.54				585000	0.54
				06/04/2018	-585000	Transfer/Sell	0	0.00
				11/05/2018	12000	Transfer/ Buy	12000	0.01
				09/11/2018	-1000	Transfer/Sell	11000	0.01
				16/11/2018	1000	Transfer/ Buy	12000	0.01
				25/01/2019	-2500	Transfer/Sell	9500	0.01
				15/02/2019	-400	Transfer/Sell	9100	0.01
				22/02/2019	-5000	Transfer/Sell	4100	0.00
				22/03/2019	-2600	Transfer/Sell	1500	0.00
				29/03/2019	25000	Transfer/ Buy	26500	0.02
				31/03/2019			26500	0.02

Sl no	Name of the Share Holder	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
12	KARVY STOCK BROKING LIMITED BROKING	580540	0.54				580540	0.54
				06/04/2018	8383	Transfer/ Buy	588923	0.54
				06/04/2018	-9702	Transfer/Sell	579221	0.53
				13/04/2018	22057	Transfer/ Buy	601278	0.55
				13/04/2018	-2704	Transfer/Sell	598574	0.55
				20/04/2018	9992	Transfer/ Buy	608566	0.56
				20/04/2018	-20607	Transfer/Sell	587959	0.54
				27/04/2018	154936	Transfer/ Buy	742895	0.68
				27/04/2018	-41436	Transfer/Sell	701459	0.65
				04/05/2018	9491	Transfer/ Buy	710950	0.66
				04/05/2018	-140501	Transfer/Sell	570449	0.53
				11/05/2018	681	Transfer/ Buy	571130	0.53
				11/05/2018	-53706	Transfer/Sell	517424	0.48
				18/05/2018	20435	Transfer/ Buy	537859	0.50
				18/05/2018	-10276	Transfer/Sell	527583	0.49
				25/05/2018	110061	Transfer/ Buy	637644	0.59
				25/05/2018	-21314	Transfer/Sell	616330	0.57
				01/06/2018	31501	Transfer/ Buy	647831	0.60
				01/06/2018	-5917	Transfer/Sell	641914	0.59
				08/06/2018	33880	Transfer/ Buy	675794	0.62
				08/06/2018	-14389	Transfer/Sell	661405	0.61
				15/06/2018	5488	Transfer/ Buy	666893	0.61
				15/06/2018	-6827	Transfer/Sell	660066	0.61
				22/06/2018	36910	Transfer/ Buy	696976	0.64
				22/06/2018	-13112	Transfer/Sell	683864	0.63
				29/06/2018	22057	Transfer/ Buy	705921	0.65
				29/06/2018	-9896	Transfer/Sell	696025	0.64
				06/07/2018	705	Transfer/ Buy	696730	0.64
				06/07/2018	-30503	Transfer/Sell	666227	0.61
				13/07/2018	14527	Transfer/ Buy	680754	0.63
				13/07/2018	-20620	Transfer/Sell	660134	0.61
				20/07/2018	22823	Transfer/ Buy	682957	0.63
				20/07/2018	-15671	Transfer/Sell	667286	0.62
				27/07/2018	1365	Transfer/ Buy	668651	0.62
				27/07/2018	-11547	Transfer/Sell	657104	0.61
				03/08/2018	104849	Transfer/ Buy	761953	0.70
				03/08/2018	-99052	Transfer/Sell	662901	0.61
				10/08/2018	103498	Transfer/ Buy	766399	0.71
				10/08/2018	-59364	Transfer/Sell	707035	0.65
				17/08/2018	35754	Transfer/ Buy	742789	0.68

SI no	Name of the Share Holder	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
				17/08/2018	-12292	Transfer/Sell	730497	0.67
				24/08/2018	110182	Transfer/ Buy	840679	0.78
				24/08/2018	-8104	Transfer/Sell	832575	0.77
				31/08/2018	16672	Transfer/ Buy	849247	0.78
				31/08/2018	-588	Transfer/Sell	848659	0.78
				07/09/2018	38413	Transfer/ Buy	887072	0.82
				07/09/2018	-16488	Transfer/Sell	870584	0.80
				14/09/2018	2495	Transfer/ Buy	873079	0.80
				14/09/2018	-13449	Transfer/Sell	859630	0.79
				21/09/2018	5509	Transfer/ Buy	865139	0.80
				21/09/2018	-10818	Transfer/Sell	854321	0.79
				28/09/2018	536	Transfer/ Buy	854857	0.79
				28/09/2018	-17032	Transfer/Sell	837825	0.77
				29/09/2018	85	Transfer/ Buy	837910	0.77
				05/10/2018	82121	Transfer/ Buy	920031	0.85
				05/10/2018	-8777	Transfer/Sell	911254	0.84
				12/10/2018	18096	Transfer/ Buy	929350	0.86
				12/10/2018	-5647	Transfer/Sell	923703	0.85
				19/10/2018	9974	Transfer/ Buy	933677	0.86
				19/10/2018	-50128	Transfer/Sell	883549	0.81
				26/10/2018	2773	Transfer/ Buy	886322	0.82
				26/10/2018	-5754	Transfer/Sell	880568	0.81
				02/11/2018	177	Transfer/ Buy	880745	0.81
				02/11/2018	-5327	Transfer/Sell	875418	0.81
				09/11/2018	3892	Transfer/ Buy	879310	0.81
				09/11/2018	-4509	Transfer/Sell	874801	0.81
				16/11/2018	21759	Transfer/ Buy	896560	0.83
				16/11/2018	-51317	Transfer/Sell	845243	0.78
				23/11/2018	4125	Transfer/ Buy	849368	0.78
				23/11/2018	-3363	Transfer/Sell	846005	0.78
				30/11/2018	3326	Transfer/ Buy	849331	0.78
				30/11/2018	-65432	Transfer/Sell	783899	0.72
				07/12/2018	6820	Transfer/ Buy	790719	0.73
				07/12/2018	-17203	Transfer/Sell	773516	0.71
				14/12/2018	5146	Transfer/ Buy	778662	0.72
				14/12/2018	-326	Transfer/Sell	778336	0.72
				21/12/2018	11241	Transfer/ Buy	789577	0.73
				21/12/2018	-13239	Transfer/Sell	776338	0.72
				28/12/2018	2148	Transfer/ Buy	778486	0.72

Sl no	Name of the Share Holder	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
				28/12/2018	-13395	Transfer/Sell	765091	0.70
				31/12/2018	5654	Transfer/ Buy	770745	0.71
				31/12/2018	-16592	Transfer/Sell	754153	0.69
				04/01/2019	9381	Transfer/ Buy	763534	0.70
				04/01/2019	-7321	Transfer/Sell	756213	0.70
				11/01/2019	25688	Transfer/ Buy	781901	0.72
				11/01/2019	-9778	Transfer/Sell	772123	0.71
				18/01/2019	2348	Transfer/ Buy	774471	0.71
				18/01/2019	-3474	Transfer/Sell	770997	0.71
				25/01/2019	18454	Transfer/ Buy	789451	0.73
				25/01/2019	-25	Transfer/Sell	789426	0.73
				01/02/2019	1150	Transfer/ Buy	790576	0.73
				01/02/2019	-13309	Transfer/Sell	777267	0.72
				08/02/2019	-3080	Transfer/Sell	774187	0.71
				15/02/2019	7163	Transfer/ Buy	781350	0.72
				15/02/2019	-14583	Transfer/Sell	766767	0.71
				22/02/2019	-4680	Transfer/Sell	762087	0.70
				01/03/2019	21520	Transfer/ Buy	783607	0.72
				01/03/2019	-16495	Transfer/Sell	767112	0.71
				08/03/2019	9717	Transfer/ Buy	776829	0.72
				08/03/2019	-11201	Transfer/Sell	765628	0.71
				15/03/2019	310	Transfer/ Buy	765938	0.71
				15/03/2019	-9580	Transfer/Sell	756358	0.70
				22/03/2019	209770	Transfer/ Buy	966128	0.89
				22/03/2019	-1583	Transfer/Sell	964545	0.89
				29/03/2019	178286	Transfer/ Buy	1142831	1.05
				29/03/2019	-7634	Transfer/Sell	1135197	1.05
				30/03/2019	-100	Transfer/Sell	1135097	1.05
				31/03/2019			1135097	1.05
13	EMERGING MARKETS CORE EQUITY PORTFOLIO (THE PORTFO	570374	0.53				570374	0.53
				21/12/2018	-54855	Transfer/Sell	515519	0.47
				31/03/2019			515519	0.47

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

v) Shareholding of Directors and Key Managerial Personnel

SI no	For each the Directors and KMP	Shareholding at the beginning of the year		Date wise increase / (decrease) in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.)			Cumulative shareholding at the end of the year	
		No of Shares	% of total shares of the Company	Date	No. of Shares	Nature	No of Shares	% of total shares of the company
1	Mr. K L Chugh Chairman	--	--	--	--	--	--	--
2	Mr. Mahendra Agarwal, Founder & CEO	3184188	2.94	--	--	--	3184188	2.93
3	Mr. N Srinivasan Director	89000	0.08	--	--	--	89000	0.08
4	Dr. P S Reddy Director	--	--	--	--	--	--	--
5	Mr. P N Shukla Director	20000	0.02	--	--	--	20000	0.02
6	Mr. Sunil Alagh Director	130000	0.15	20.04.2018	(10000)	Transfer/ sell	120000	0.11
				25.01.2019	(20000)	Transfer/ sell	100000	0.09
				25.01.2019	20000	Transfer/ buy	120000	0.13
				15.02.2019	(20000)	Transfer/ sell	100000	0.09
				08.03.2019	(10000)	Transfer/ Sell	90000	0.08
				31.03.2019			90000	0.08
7	Mr. Yasuhiro Kaneda Nominee Director	--	--	--	--	--	--	--
8	Ms. Sheela Bhide	--	--	--	--	--	--	--
9	Mr. Amit Pathak, Company Secretary*	--	--	--	--	--	--	--
10	Mr. Manoj Gupta, Chief Financial Officer **	---	--	--	--	--	--	--

Note : * Resigned on 31.12.2018
 ** Resigned on 31.07.2018

V. INDEBTEDNESS

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

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	(₹ in mn)
				Total Indebtedness
Indebtedness at the beginning 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

Particulars	(₹ in mn)			
	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Change in Indebtedness during the financial year				
Addition				
Reduction	(266.30)	--	(5.10)	(271.40)
Net Change	(266.30)	--	(5.10)	(271.40)
Indebtedness at the end of the financial Year				
i) Principal Amount	1028.70	--	135.90	1164.60
ii) Interest due but not paid				
iii) Interest accrued but not due			8.15	8.15
Total (i+ii+iii)	1028.70	--	144.05	1172.75

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

S. no	Particular of Remuneration	(₹ in mn)	
		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

S. no	Particulars of remuneration	(₹ in mn)							
		Name of the Directors							
		K L Chugh	N Srinivasan	P S Reddy	Sunil Alagh	P N Shukla	Yasuhiro Kaneda	Sheela Bhide	Total
1	Independent Directors								
	(a) Fee for attending board / committee meetings	0.48	0.59	0.40	0.32	0.72	--	0.32	2.83
	(b) Commission	0.50	0.35	0.25	0.25	0.25	--	0.25	1.85
	(c) Others, please specify	--	--	--	--	--	--	--	--
	Total (1)	0.98	0.94	0.65	0.57	0.97		0.57	4.68

(₹ in mn)

S. no	Particulars of remuneration	Name of the Directors							Total
		K L Chugh	N Srinivasan	P S Reddy	Sunil Alagh	P N Shukla	Yasuhiro Kaneda	Sheela Bhide	
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)	0.98	0.94	0.65	0.57	0.97	0.25	0.57	4.93
	Total Managerial Remuneration as Commission								2.10
	Ceiling as per Section 197 of the Companies Act, 2013								2.52

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

(₹ in mn)

S. No	Particular of Remuneration	Amit Pathak, Company Secretary ^	Mr. Manoj Gupta, CFO^^	Total	
1	Gross Salary				
	(a) Salary as per provisions contained in section 17(1) of Income-tax Act, 1961		2.11	4.55	6.66
	(b) Value of perquisites u/s 17 (2) Income tax Act, 1961		0.47	0.02	0.49
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961		--	--	--
2	Stock Option (nos.)		---	--	--
3	Sweat Equity		---	--	--
4	Commission		---	--	--
	- as % of profits				
	- others, specify				
5	Others, please specify – (Gratuity, Provident & Superannuation funds)		0.05	0.14	0.19
	Total		2.63	4.71	7.34

^ Resigned w.e.f 31.12.2018

^^ Resigned w.e.f 31.07.2018

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES

There were no penalties, Punishment or Compounding of offences during the year ended March 31, 2019.

Annexure – D

SECRETARIAL AUDIT REPORT

For The Financial Year ended 31st March, 2019

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 of
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, 2019**, 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.

1. 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 2019 (“Audit Period”) according to the provisions of:
 - 1.1. The Companies Act, 1956 (to the extent applicable) and the Companies Act, 2013 (the Act) and the Rules made thereunder;
 - 1.2. The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the Rules made thereunder;
 - 1.3. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
 - 1.4. 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;

- 1.5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’): -

- 1.5.1. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

- 1.5.2. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

- 1.5.3. 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;

- 1.5.4. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

- 1.5.5. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

- 1.6. 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 following

- a. Chief Financial Officer resigned on July 31, 2018 and the Company did not fill the vacancy within 6months as contemplated under Section 203 of the Companies Act 2013

- b. Compliance Officer as per Listing Obligations and Disclosure Requirements) Regulations, 2015 has not been complied.
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). Accordingly, 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. There are no changes in the composition of the Board of Directors during the period under review.
 - 4.2. Company Secretary has resigned on December 31, 2018 and was informed by the Company, steps have been taken to ensure the compliance within the Statutory Period as mentioned under Section 203 of the Companies Act, 2013.
 - 4.3. Adequate Notice along with agenda and detailed notes on agenda is given to all the Directors electronically to schedule the Board Meetings.
 - 4.4. With regard to Public Deposits accepted by the Company, Deposit Repayment Reserve is maintained in form of fixed deposits with scheduled banks instead of depositing in separate account.
 - 4.5. The Company has carried CSR activities during the financial year under review. However, did not spent full amount and the 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. Form IEPF-4 filing, advertisement for transfer of shares to IEPF account and the unpaid dividend amount transferred to IEPF account for FY 2018-19 was complied belatedly.
 - 4.8. Corporate Guarantee of ₹23.60 crores given by the Company to M/s Gati Infrastructure Private Ltd has been invoked by IDFC Bank. We have been informed that the company is contesting the invocation and the matter is before DRT-I as well as the DRAT.
 - 4.9. Company has informed that all the related party transactions entered by the Company with Related Parties are in ordinary course of business and are on arm's length basis. In this regard, we have relied upon the Certificate obtained from DVAK & Co., Chartered Accountant, to confirm the same. In view of the Company disclosures in Board's Report are not required.
 - 4.10. The Company's investment in AmritJal Ventures Private Ltd, which was 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.
 - 4.11. The company has received notice from Registrar of Companies, Hyderabad, on various matters and provided necessary information as sought by the Registrar of Companies.
 - 4.12. 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.
 - 4.13. One among the Person Acting in Concert with the Promoter has not given the disclosure as on March 31, 2019 under Regulation 30 (2) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 to the Company and the Stock exchange.

4.14. 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

4.15. 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 and advised the company to ensure the compliance of Secretarial Standards with true spirit.

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

Place: Hyderabad
Date: 27.05.2019

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

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
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: 27.05.2019

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 IV models.
2. Introduced Electric and CNG based vehicles for Last mile delivery
3. The strict periodical maintenance of Company's vehicles is done as per manufacturer's prescribed norms to ensure optimum fuel consumption & better vehicle maintenance.
4. Vehicles greater than five years old are been phase out and replace new standard BS model vehicles.
5. Drivers' training programs are being organized and conducted periodically to improve their driving skills, safe driving, better vehicle maintenance and improved fuel efficiency of vehicle.

6. Providing DIP i.e., Drivers Information Package which would educate them about Do's and Don'ts, RIC (Route Information card) and also Driver briefing session conducted regularly before departing the vehicle & monitoring through Vehicle Tracking System

7. A centralized Operations Command Center (OCC) has been built to provide support to vehicles and drivers 24/7, 365 days.

B) Technology Absorption:

Your company has initiated project GEMS 2.0 (Gati Enterprise Management System), this project aims at revamping the entire custom developed ERP at Gati to a state of art technology platform, which is highly scalable, redundant, cloud and mobile native, future ready. We have taken a modular, micro-services based approach to revamp GEMS,

As part of the plan, two key large modules have been taken up for complete revamp, redesign, and re-implement. The custom development has been completed successfully and have been moved for testing and would be rolled out shortly. Also, the base framework for various modules have been put in place. Other key modules will be taken up in phases, the same would be developed and rolled out during the coming year.

C) Foreign Exchange earnings and outgo:

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

Summary	(₹ in mn)	
	As at 31st March, 2019	As at 31st March, 2018
Expenditure in foreign currency		
Travelling Expenses	1.14	1.26
Freight Expenses	92.84	91.73
Earnings in Foreign Currency		
Interest Income	-	0.83
Freight Income	137.75	137.94

Annexure – F

Company's Policies

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

Key policies that have been adopted are as follows:

Name of the policy	Brief Description	Web link
Whistleblower Policy (Policy on Vigil mechanism)	The company has adopted a whistleblower mechanism for directors and employees to report concerns about unethical behavior, actual or suspected fraud, or violation of the Company's code of conduct and ethics.	https://www.gati.com/investor-relations/policies/
Code of Conduct and Ethics	The company has adopted the Code of Conduct and Ethics which forms the foundation of its ethics and compliance program.	https://www.gati.com/investor-relations/code-of-conduct/
Insider Trading Policy	The policy provides the framework in dealing with securities of the company.	https://www.gati.com/investor-relations/policies/
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/
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/
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/
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/
Related Party Transaction Policy	This policy regulates all transactions between the company and its related parties.	https://www.gati.com/investor-relations/policies/

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.

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, 2019, 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	Investment Committee
Mr. K L Chugh	Independent Director- Chairman	Chairman	---	---	Member	---	---
Mr. Mahendra Agarwal	Founder & CEO	Member	---	Member	---	Member	---
Mr. N Srinivasan	Independent Director	Member	Chairman	---	---	---	Member
Mr. P N Shukla	Independent Director	Member	Member	---	Member	---	Chairman
Dr. P S Reddy	Independent Director	Member	Member	----	Chairman	Member	---
Mrs. Sheela Bhide	Independent Director	Member	---	Member	---	Chairman	---
Mr. Sunil Alagh	Independent Director	Member	---	Chairman	---	---	---
Mr. Yasuhiro Kaneda	Nominee Director*	Member	---	---	---	---	---
Mr. Sushil Jiwarajka (%)	Additional Director – Independent	Member	---	---	---	---	---
Dr. Savita Date Menon (%)	Additional Director – Independent	Member	---	---	---	---	---

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

%Appointed as Additional Director – Non Executive & Independent w.e.f. August 02, 2019.

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			List of Directorship held in other Listed Entities and Category of Directorship
	Other Directorships*	Committee **		
		Chairmanship	Membership	
Mr. K L Chugh	7	-	-	Sandhar Technologies Limited (Non Executive Independent Director)
Mr. Mahendra Agarwal	8	-	-	TCI Finance Limited (Non Executive Director) Gati Kausar India Limited (Non Executive Director) TCI Industries Limited (Non Executive Director)
Mr. N. Srinivasan	4	1	1	Essar Shipping Limited (Non Executive Independent Director)
Mr. P N Shukla	2	1	1	Gati Kausar India Limited (Non Executive Independent Director)
Dr. P.S. Reddy	1	-	-	-
Mrs. Sheela Bhide	4	2	3	L & T Metro Rail Hyderabad Limited (Non Executive Independent Director)
Mr. Sunil Alagh	4	-	2	United Breweries Limited (Non Executive Independent Director) Indofil Industries Limited (Non Executive Independent Director)
Mr. Yasuhiro Kaneda	1	-	-	-
Mr. Sushil Jiwrajka	14	-	-	-
Dr. Savita Date Menon	-	-	-	-

*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.

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

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

S. No	Expertise	Particulars
1	Industry	(a) Experience in and knowledge of the industry in which the Company Operates (b) Experience and knowledge of broader industry environment and business planning
2	Professional	Expertise in professional areas such as Technical, Accounting, Finance, Legal, Human Resources, Marketing, etc.
3	Governance	Experience as director of other companies, Awareness of their legal, ethical, fiduciary and financial responsibilities, Risk Assessment, Corporate Governance
4	Behavioral	Knowledge and skills to function well as team members, effective decision making processes,integrity, effective communication, innovative thinking.

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 2018-19, the Board met eight times: on 10 April, 2018, 26 April, 2018, 29 May, 2018, 13 August, 2018, 18 September, 2018, 13 November, 2018, 25 January, 2019 and 21 February, 2019. 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 September 18, 2018 and also the shareholding.

Name	Category and Designation	Attendance particulars		
		Board meetings	Last AGM	No. of Equity shares
Mr. K L Chugh	Independent Director- Chairman	8/8	Yes	--
Mr. Mahendra Agarwal	Founder & CEO	8/8	Yes	31,84,188
Mr. N Srinivasan	Independent Director	7/8	Yes	89,000
Mr. P N Shukla	Independent Director	8/8	Yes	20,000
Dr. P S Reddy	Independent Director	4/8	No	--
Mrs. Sheela Bhide	Independent Director	6/8	Yes	--
Mr. Sunil Alagh	Independent Director	6/8	Yes	90,000
Mr. Yasuhiro Kaneda	Nominee Director	5/8	Yes	--
Mr. Sushil Jiwarajka*	Additional Director – Independent	N.A.	N.A.	--
Dr. Savita Date Menon*	Additional Director – Independent	N.A.	N.A.	--

*Appointed w.e.f August 02, 2019

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 21, 2019, 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.\

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. Investment Committee

Audit Committee

The management is responsible for the Company's internal controls and the financial reporting process while the statutory auditors are responsible for performing independent audits of the Company's financial statements in accordance with generally accepted auditing practices and for issuing reports based on such audits. The Board of Directors has constituted and entrusted the Audit Committee with the responsibility to supervise these processes and thus ensure accurate and timely disclosures that maintain the transparency, integrity and quality of financial control and reporting. The constitution of the Audit Committee also meets with the requirements of Section 177 of the Companies Act, 2013 and 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;
- iii. reviewing the Management Discussion and Analysis of the financial condition and result of operations
- iv. reviewing with management, Statutory Auditors and Internal Auditor, the adequacy of internal control systems;
- v. formulating in consultation with the Internal Auditor, the scope, functioning, periodicity and methodology for conducting the internal audit;
- vi. reviewing the adequacy of internal audit function and discussing with Internal Auditor any significant finding and reviewing the progress of corrective actions on such issues;
- vii. evaluating internal financial controls and risk management systems;
- viii. reviewing and monitoring the auditor's independence and performance and effectiveness of audit process; reviewing management letters / letters of internal control weaknesses issued by the Statutory Auditors;
- ix. recommending the appointment, remuneration and terms of appointment of Statutory Auditors of the Company and approval for payment of any other services;
- x. Ensure that adequate safeguards have been taken for legal compliance for the Company;
- xi. reviewing, approving or subsequently modifying any Related Party Transactions in accordance with the Related Party Transaction Policy of the Company;
- xii. reviewing the functioning of the Whistle Blowing mechanism.
- xiii. any other matter referred to by the Board of Directors.

The Audit Committee 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.

During the financial year 2018-19, the Audit Committee met six times viz., on 10 April, 2018, 28 May, 2018, 13 August, 2018, 12 November, 2018, 25 January, 2019 and 19 March, 2019. 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	6	6
2	Mr. P N Shukla	Member	6	6
3	Dr. P S Reddy	Member	6	4

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 September 18, 2018.

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 2018-19, the Committee met four times i.e., on May 29, 2018, August 13, 2018, November 13, 2018 and January 25, 2019. 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	4	3
2	Mr. K L Chugh	Member	4	4
3	Mr. P N Shukla	Member	4	4

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 2018-19 and proposed commission are as follows:

Name	Sitting fee (₹)	Commission (₹)
Mr. K L Chugh	4,80,000	5,00,000
Mr. N Srinivasan	5,90,000	3,50,000
Mr. P N Shukla	7,20,000	2,50,000
Dr. P S Reddy	4,00,000	2,50,000
Ms. Sheela Bhide	3,20,000	2,50,000
Mr. Sunil Alagh	3,20,000	2,50,000
Mr. Yasuhiro Kaneda	---	2,50,000
TOTAL	28,30,000	21,00,000

Commission for the financial year 2018-19 will be paid to the Directors after adoption of accounts by the shareholders at the ensuing Annual General Meeting.

An analysis of the investor complaints received and redressed during the financial year 2018-19 is given below:

S. No	Nature of Complaint	Received	Disposed	Pending	Not resolved to the satisfaction of shareholders
1	Non receipt of dividend warrants	28	28	Nil	Nil
2	Non receipt of Annual Report	16	16	Nil	Nil
3	Non-receipt of stock split shares	11	11	Nil	Nil

Name, designation and address of Compliance Officer:

Mrs. T.S. Maharani
 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

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

Stakeholders Relationship Committee

The 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 three Directors viz., Mr. Sunil Alagh, Chairman and Mr. Mahendra Agarwal, Member & Ms. Sheela Bhide, Member. During the financial year 2018-19, the Stakeholders' Relationship Committee met once viz., on January 25, 2019 and all the members eligible to attend the meeting 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.

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:

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

vi. Monitoring the implementation of the CSR projects or programs or activities undertaken by the company.

vii. Any other matter referred to by the Board of Directors.

The 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 2018-19, the CSR Committee met once i.e. on May 29, 2018 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.

The Committee is endeavoring to identify a suitable project for CSR Activities and spend the unutilized balance upto March 31, 2019 for the projects as may be approved by the Committee. It is expected that the aforesaid amount should be utilized during the coming financial year 2019-20.

Investment Committee

During the Financial Year 2018-19, The Board of Directors of your Company constituted Investment Committee with Mr. PN Shukla as the Chairman & Mr. N Srinivasan as the Member of the Committee.

The Main objective of the Investment Committee is to assist the Board and the Company in overseeing acquisitions, investments and disinvestment made by the Company and to provide oversight on key financial policies of the Company.

During the year, Investment Committee met three times on January 24, 2019, February 15, 2019 & March 19, 2019 and all the members of the committee were present in the meetings.

General Body Meetings

(a) Annual General Meeting:

Year(s)	Date of AGM	Time	Venue	No. of Special resolutions passed
2017-18	September 18, 2018	3.00 P.M	Plot No. 20, Survey No. 12, Kothaguda, Kondapur, Hyderabad, Telangana – 500084	0
2016-17	August 1, 2017	5.00 P.M	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

(b) Extraordinary General Meeting:

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

(c) Postal Ballot:

During the year under review, Pursuant to Regulation 17(1A) of the Securities and Exchange Board of India Limited, the members of the Company approved the continuation of directorship of Mr. KL Chugh, Mr. N Srinivasan and Dr. PS Reddy for the existing period of their current term by way of special resolution through a postal ballot. The same was passed on March 27, 2019. The voting pattern of the same was as follows:

Item No. 1: To approve to continuation of directorship of Mr. Krishan Lal Chugh (DIN: 00140124) as a Director of the Company for the remaining period of the present term

No. of votes/shares received for the resolution (%) Year(s)	No. of votes/shares received against the resolution (%)	Neutral/Invalid/Abstain votes
26518658 (97.54%)	670061 (2.46%)	22414
No. of Shareholders voted for the resolution	No. of Shareholders Voted against the resolution	No. of Shareholders Votes Neutral/ Invalid/Abstain
193	39	14

Item No. 2: To approve to continuation of directorship of Mr. Srinivasan Natesan (DIN: 00004195) as a Director of the Company for the remaining period of the present term

No. of votes/shares received for the resolution (%)	No. of votes/shares received against the resolution (%)	Neutral/Invalid/Abstain votes
25264571 (92.92%)	1923888 (7.08%)	22674
No. of Shareholders voted for the resolution	No. of Shareholders Voted against the resolution	No. of Shareholders Votes Neutral/ Invalid/Abstain
182	46	16

Item No. 3: To approve to continuation of directorship of Mr. Pesara Sudhakar Reddy (DIN: 00608915) as a Director of the Company for the remaining period of the present term

No. of votes/shares received for the resolution (%)	No. of votes/shares received against the resolution (%)	Neutral/Invalid/Abstain votes
25259487 (92.91%)	1928967 (7.09%)	22679
No. of Shareholders voted for the resolution	No. of Shareholders Voted against the resolution	No. of Shareholders Votes Neutral/ Invalid/Abstain
184	43	17

The Company followed the procedure for postal ballot as per Section 110 of the Companies Act, 2013 read with Rule 22 of Companies (Management & Administration) Rules, 2014. The scrutinizer submitted his report to the chairman stating that the resolutions have been duly passed with requisite majority.

Disclosures

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

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

- ii. There were no penalties, and structures 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. Further, as per the Annual Secretarial Compliance Report issued by DVM & Associates LLP, the following non compliances were observed by them during the year:

S. No	Compliance Requirement (Regulations/ circulars / guidelines including specific clause)	Deviations	Observations/ Remarks of the Practicing Company Secretary
1	Under Regulation 17(8) read with 2(f) of the SEBI Listing Obligations and Disclosure Requirements Regulations, 2015, The Chief Executive Officer and the Chief Financial Officer shall provide the Compliance Certificate to the board of directors as specified in Part B of Schedule II.	The Company did not have the head of finance as defined under Reg 17(8) read with 2(f) of the SEBI Listing Obligations and Disclosure Requirements) Regulations, 2015.	The Company did not have the Chief Financial Officer or “whole time finance director” or “head of finance”, heading and discharging the finance function of the Company after the resignation of the Chief Financial Officer on July 31, 2018 to comply with the requirement of Rg. 17(8) read with 2(f)of the SEBI Listing Obligations and Disclosure Requirements) Regulations, 2015
2	Compliance Officer as per Listing Obligations and Disclosure Requirements) Regulations, 2015	Not appointed Compliance Officer	After the resignation of Company Secretary and Compliance Officer on December 31, 2018, the Company has not appointed the Compliance Officer as per Reg 6 of SEBI Listing Obligations and Disclosure Requirements) Regulations, 2015

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/>.

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.

vii. 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.

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

Type of Service	Amount in Mn.
Audit Fees	5.0
Tax Audit	1.1
Certification and other Fees	1.7
Total	7.8

ix. Certificate from DVM & Associates LLP, Practising Company Secretaries that none of the directors on the board have been debarred or disqualified from being appointed or continuing as directors of Companies by the Board/ Ministry of Corporate Affairs or any such authority is attached.

x. During the financial year 2018-19, one complaint of sexual harassment was received by the Company and it was appropriately dealt with, there are no complaints pending as on the end of the financial year.

xi. During the Financial Year 2018-19, Board had accepted all the recommendation of committees of the Board.

Details of compliance with mandatory requirements

The Company has complied with all mandatory requirements specified in regulation 17 to 27 and clause (b) to (i) of sub regulation (2) of regulation 46 of 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 President - Finance 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 2018-19 to the Board of Directors at their meeting held on May 28, 2019, 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 25, 2019.

Time: 12:00 Noon

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 2019-20

Results for the quarter ended June 30, 2019	on or before August 14, 2019
Results for the quarter ended September 30, 2019	on or before November 14, 2019
Results for the quarter ended December 31, 2019	on or before February 14, 2020
Results for the year ended March 31, 2020	on or before May 30, 2020

Record date: The Record date is Wednesday, September 18, 2019.

Dividend

The Board of Directors at their meeting held on 28.05.2019, recommended a final dividend of ₹ 0.80/- per share (40%) on equity shares of ₹ 2/- each for the Financial Year ended March 31, 2019. The Dividend if approved by the shareholders at the 24th Annual General Meeting scheduled to be held on September 25, 2019, will be paid within the stipulated time i.e. 30 days from the date of declaration.

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.

S. No	Dividend for the year	Dividend %	Date of declaration	Due date for transfer
1	2011-12 : Interim	30	29.06.2012	28.07.2019
2	2011-12 : Final	25	19.10.2012	18.11.2019
3	2012-13 : Final	30	06.11.2013	05.12.2020
4	2013-14 : Final	35	05.08.2014	04.09.2021
5	2014-15: Interim	30	05.12.2014	04.01.2022
6	2014-15: Final	40	30.07.2015	28.08.2022
7	2015-16: Final	50	04.08.2016	03.09.2023
8	2016-17: Final	40	01.08.2017	31.08.2024
9	2017-18: Final	45	18.09.2018	17.10.2025

Credit Rating

During the Financial Year 2018-19, Care Ratings Limited vide its letter dated October 05, 2018 has downgraded the credit rating of the Company as follows:

Facilities/ Instruments	Amount (In Crs)	Revised Rating	Remarks
Long Term Bank Facilities	173.02	Care BBB; Stable	Downgraded from Care A-; Stable
Short Term Bank Facilities	5.00	Care A3+	Downgraded from Care A2+
Medium Term Fixed Deposits	50.00	Care BBB; Stable	Downgraded from Care A-; Stable

Unpaid/Unclaimed Dividends:

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 2018-19 as under

Particulars	Amount of Dividend (in ₹)	No of Shares
Final Dividend for the Financial Year 2010-11	5,12,534	47,160

The Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on September 18, 2018 (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 47,160 number of equity shares related to 295 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, 2019 is as under:

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

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

Code of Conduct for prohibition of Insider trading

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

Listing on Stock Exchanges

The Company's shares are listed on BSE Limited (BSE), Floor 25, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001 and The National Stock Exchange of India Limited (NSE), Exchange Plaza, 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, 2019 are as under

Month	NSE		BSE	
	High	Low	High	Low
Apr-2018	136.6	89	136.7	89.2
May-2018	120.75	95.65	120.65	95.1
Jun-2018	98.2	73.25	97.95	73.2
Jul-2018	117	75.1	115	75.5
Aug-2018	119.4	98.25	119.2	98.55
Sep-2018	101.5	71.5	101.4	71.95
Oct-2018	84.9	66.5	84.9	66.65
Nov-2018	93.9	74.8	93.85	74.85
Dec-2018	89.9	74.65	90.15	74.7
Jan-2019	87.55	70.3	87.65	70.55
Feb-2019	84.8	64.2	84.75	64.15
Mar-2019	94.45	77.2	94.85	77.15

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, 2018	90	10151.65	89.50	33030.87
As on March 31, 2019	87.05	11623.9	87.15	38672.91
Changes (%)	-3.28%	14.50%	-2.63%	17.08%

Total equity as on March 31, 2019 was 10,85,42,137 (previous year 10,83,46,795) 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 Fintech 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.karvyfintech.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, 2019:

Particulars	No of Shares	%
Physical Segment (A)	9,21,321	0.85
Demat Segment (B)		
NSDL	8,63,76,599	79.58
CDSL	2,12,44,217	19.57
Total (A+B)	10,85,42,137	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. The said amendment got notified and is effective from April 1, 2019.

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 2018-19 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, 2019:

No. of shares	No. of account	% of total account	No. of shares	% to Total shares
Upto 5,000	103509	99.04	27858358	25.67
5,001 to 10,000	529	0.51	3897154	3.59
10,001 to 20,000	229	0.22	3314262	3.05
20,001 to 30,000	75	0.07	1930999	1.78
30,001 to 40,000	26	0.02	899305	0.83
40,001 to 50,000	23	0.02	1077573	0.99
50,001 to 1,00,000	46	0.04	3377422	3.11
1,00,001 and above	72	0.07	66187064	60.98
TOTAL	104509	100.00	108542137	100.00

Categories of equity shareholding as on March 31, 2019

S. No	Category	No. of equity shares held	% of holding
1	Company Promoter / Promoter group	22650095	20.87
2	Foreign Institutional Investors	6835323	6.30
3	Banks / Mutual Funds / NBFC	1015780	0.94
4	Bodies Corporate	14257740	13.14
5	Individuals / HUF	42204600	38.88
6	Non Resident Indians	1908163	1.69
7	Foreign Bodies	18598869	17.07
8	IEPF	502298	0.46
9	Clearing Members / Trusts	369909	0.47
10	Foreign Nationals	360	0.00
11	Directors	199000	0.18
TOTAL		108542137	100.00

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

There are no GDRs / ADRs / Warrants or any convertible instruments outstanding as on March 31, 2019.

Plant Location: None

Address for Correspondence

All Members' correspondence should be forwarded to Karvy Fintech 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 Fintech Pvt. Ltd.	Gati Limited
(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.karvyfintech.com	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.

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, 2019, 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.

Place: Hyderabad
Date: August 02, 2019

For DVM & Associates LLP
Company Secretaries
L2017KR002100

DVM Gopal
partner
M. No. F6280
CP NO. 6798

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, 2019.

Place: Hyderabad
Date: August 02, 2019

For **Gati Limited**

Mahendra Agarwal
Founder & CEO
DIN: 00179779

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

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

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

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority

S. No	Name of Director	DIN	Date of First appointment in Company
1	Srinivasan Natesan	00004195	18/10/2000
2	Sunil Kumar Alagh	00103320	22/04/2004
3	Krishan Lal Chugh	00140124	30/06/1998
4	Mahendra Kumar Agarwal	00179779	25/04/1995
5	Pesara Sudhakar Reddy	00608915	25/04/1995
6	Sheela Bhide	01843547	06/08/2014
7	Prabhu Shukla Narain	01868580	19/10/2012
8	Yasuhiro Kaneda	07619127	04/11/2016

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion based on our verification of records.

This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

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

DVM Gopal
Partner

M No: F 6280
CP No: 6798

Place: Hyderabad
Date: August 02, 2019

Management Discussion and Analysis

Industry Structure & Development

Indian Logistics Sector

Indian logistics sector is presently estimated to be worth around ₹ 14 trillion and is poised to grow phenomenally over the next two years and reach a size of ₹ 15.4 trillion billion by 2020, logging 11 per cent compounded annual growth rate (CAGR) in recent years. The logistics sector earned the 'infrastructure' status in 2017 to further drive the investments and support the sector. Between 2018 and 2020, the warehousing segment is poised to receive around ₹ 50,000 crore investments. Currently, India is ranked 35th in the World Bank's Logistics Performance Index (LPI).

In India, the logistics industry continues to grow and prosper due to the improvement in retail, e-commerce, manufacturing and various other sectors. The rise in e-commerce consumption, as well as domestic logistics, also adds to an improvement in the Indian logistics market 2019.

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 Indian Logistics Sector

Economic growth & robust growth in Consumption

The transportation and logistics contribute against the growth of any economy. The global logistics sector is with a valuation of ₹ 2864 trillion. On average, logistics accounts for anywhere between 8% and 20% of a country's Gross Domestic Product (GDP). India's logistics cost represents 13% of GDP. The development in the logistic sector will result in ease of production, and reduce transportation costs and distribution costs.

Growth Drivers for Gati

Gati continues to strengthen its presence and value offering in the express logistics and end to end solutions. There has been a steady growth of number of key accounts, corporate customers and retail market. This has been strongly supported by our deeply rooted customer centricity, technological strength and the high brand equity in the market.

End to End Logistics Services

Gati continuous to grow across its service portfolio and is emerging as a leading end to end logistics provider. Our

solutions vary range from express distribution (Surface-Air-Rail), warehousing solutions, e-commerce logistics, M-VATS (point to point bulk and multi point milk run), cross border commerce, freight forwarding, cold chain (Gati Kausar) and basis the customer requirements can be customized and deployed at the right touch points in the supply chain. This upgrade in the DNA of Gati from pure express logistics company to a logistics powerhouse has been accentuated by continuous system changes, regular people training and upskilling, operations enhancements and customer education.

Strong Network & Reach

GATI has been able to reach out to most corners of the India through its widespread network and a long list of partners making it the one of largest logistics company. The company has connectivity to areas like Bay of Bengal, Malacca straits, Arabian sea, Port Blair and operates over 5000 vehicles on road and 4000+ business partners. This network of GATI has enabled it to be one of the strongest players in this industry. The customers' requirements are becoming more complex with continuous demand of higher service level. Appointment delivery, Reverse Logistics, Time Specific Pickup and Connectivity, Electric Mobility, Integrated Logistics requirements among many others are now more commonplace. We continue to enhance our fleet of 5000+ across line haul and last mile, increase in routes and transit times, along with continuously increasing warehousing facilities.

Customer Loyalty & Brand Equity

Gati continues to focus on customer retention & enhancement with its best in class logistics services and year over year there is a consistent increase in the count of its loyal and regular customers. We cater to Indian Conglomerates, Large Multinationals and MSME across very diverse industry verticals – Automotive, Healthcare & Pharma, Textile & Apparel, FMCG, Electronics & Electrical, Heavy Engineering, E-Commerce, Publishing, Infrastructure, BFSI, Hospitality & Food, Defence, Retail and Education being the key ones. Our new customer service centre in Nagpur was inaugurated in 2019 with improvement in our regional key account & service team to achieve the highest level of customer satisfaction.

Technology:

Industries across the globe including logistics have been positively affected by technological advancements in areas

like digital consumption and interaction of services and data by customer and company, data mining and analytics, real time information flow, security and control, machine learning and automation. Gati has been the pioneer of technology in the logistics industry and with the entry of new age player there is a continuous improvement overall for the industry with a win-win situation. Gati is undergoing a transformation of its technology infrastructure and capabilities with its GEMS 2.0 development and this will set new benchmarks in the Indian logistics space with direct impact on productivity and service levels.

Policy Initiatives:

Organized logistics industry share compared to the unorganized is far behind when compared to developed countries. Government Policy initiatives rolled out in the recent years namely GST (and E-way Bill), 'Make in India', and Infrastructure status to Logistics will really boost the effectiveness of organized player and make it more beneficial for customers to work with organized players.

Threats

There are number of external & internal variables and threats which will have a direct impact on revenue, operations and profitability. They range from external factors like fuel prices, competition, economic growth and industrial output across sectors to internal factors like attrition, vendor and partner performance, data and technology risks.

- Economic growth has been on the lower side with reduction in industrial output and de-growth in multiple customer verticals in FY19 and a continuation of this trend will directly impact the revenue and profitability of logistics sector including Gati.
- Fuel prices saw an abnormal increase during select months in FY19 and this resulted disruption in operations and direct reduction in profitability and any such recurrence in FY20 will impact the company adversely.
- Data and Technology Risk across the globe with high sensitivity to customer's confidential data was witnessed in FY19. Gati would need to further strengthen its security and data protection measures to shield itself from this potential threat.
- New players have entered the market in express distribution market with existing players from the ecommerce and other logistics areas are strengthening their capabilities in the express distribution area. This is inevitably leading to price wars and fierce competition and customer conversions in the Indian market which has relatively slowed down.

Way Forward & Outlook

Gati has embarked towards its vision 2022 of achieving 1 million package deliveries per day and becoming an end to end logistics powerhouse. We have identified Key initiatives covering internal capabilities, winning customer confidence, handling ever changing market dynamics, continuous improvement and innovation. FY19 saw significance progress in these programs with many successful rollouts. We look forward to all these progressive and step changes to further enhance the customer satisfaction and our competitive edge in the market.

Marco-economic factors like GST, E-way Bill, Infrastructure status of Logistics, Integrated logistics Need, Technological advancement will work in the favour of organized players and Gati is geared to benefit for its growth.

As an end to end logistics solutions provider, we have enhanced our integrated solutions offering to cover express distribution, warehousing solutions, M-VATS (Point to Point Bulk & Multi Point Milk Run), cross border commerce, e-commerce logistics, cold chain solutions (Gati Kausar) and freight forwarding. We are finding more and more acceptance and value amongst our customers towards our end to end logistics solution and this will be a key differentiator for us in the coming future.

Financial Performance

At standalone level, your Company recorded a revenue of ₹ 5424 mn, EBITDA of ₹ 447 mn, PBT of ₹ 256 mn and PAT of ₹ 243 mn as against a revenue of ₹ 5247 mn, EBITDA of ₹ 886 mn, PBT of ₹ 407 mn and PAT of ₹ 345 mn in the previous year.

During the year under review, at consolidated level, your Company achieved a revenue of ₹ 18,792 mn, EBITDA of ₹ 1103 mn, PBT of ₹ 355 mn and PAT of ₹ 230 mn as against a revenue of ₹ 18,792 mn, EBITDA of ₹ 1,549 mn, PBT of ₹ 780 mn and PAT of ₹ 391 mn respectively in the previous year.

Risks & Concerns

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

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

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

Internal Control 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 which are reviewed for improvements.
- 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 2019, 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 and the controls are continuously reviewed for improvements

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 (Graduate Trainee) Program, BDET (Business Development Executive Trainee) Program, Back2Basics and PDW (Professional Development Workshop) Program for Associates and Executives; AMTR (Assistant Manager Trainee) Program for assessing and developing the right Front-line Managers with the Framework being named as Discovering the Manager in You; Beyond Managing to Leading, a structured Leadership Development Framework for our Mid-Management level, Coaching on Leadership for Senior Leaders and several such domain-specific and behavioural interventions. 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.

Financial Ratios

Ratios	FY 2018-19	FY 2017-18
Debtor Turnover	10.40	7.31
Inventory Turn Over	119.96	119.37
Interest Coverage ratio	2.69	3.10
Current Ratio	0.68	0.71
Debt Equity Ratio	0.15	0.19
Operating Profit Margin (%)	9%	15%
Net Profit Margin (%)	4%	8%
Return on Net Worth	0.03	0.05

Explanation

Debtors Turnover:

The increase in Debtors turnover indicates better management of Accounts receivable.

Inventory Turnover Ratio:

Inventory Turnover has been effective based on the performance.

Interest coverage ratio:

The ratio is better when compared to previous years which had an exceptions income, indicating ability to meet the debt obligation.

Current Ratio:

The ratio is similar to last year and includes payables to subsidiary and a one provision made last year on guarantee continuing

Debt Equity Ratio:

There was repayment of debt during the year and therefore the debt equity ratio has reduced.

Operating profit Margin:

Increase in operating profit margin compared to Previous year, which had an Exceptional item of 280 Millions.

Net Profit Margin:

Net profit after tax is at the same level, excluding previous year which had exception item.

Return on Net worth

The ratio is at the same level, excluding previous year which had exception item.

Cautionary statement

Statements in the management discussion and Analysis report describing the company's objectives, projections, estimates, expectations or projections may be "forward looking statements" within the meaning of the applicable

laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could influence the company's operations include economic and political conditions in which the company operates, interest rate fluctuations, changes in Government/RBI regulations, Tax laws, other statutes and incidental factors.

Independent Auditor's Report

To the Members of **Gati Limited**

Report on the Audit of the Standalone Financial Statements

Qualified Opinion

We have audited the accompanying standalone financial statements of Gati Limited ("the Company"), which comprise the Balance sheet as at March 31 2019, the Statement of Profit and Loss, (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, except for the indeterminate effect of the matter described in Basis for Qualified opinion paragraph of our report, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, its profit including other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Qualified Opinion

We draw your attention to:

- i. Note 46 to the standalone financial statements, which states that during the year, the Company has received Income tax demand for ₹ 211.10 million relating to financial year 2012-13 due to disallowance of capital loss for MAT computation under section 115JB of the Income tax Act, 1961. The Company has filed an appeal before the Hon'ble High Court, Telangana as the issue involves interpretation of law. Based on the legal advice received no provision for the said tax demand has been made in the standalone financial statements of the company during the year. In view of the uncertainty, we are unable to determine the impact on the standalone financial statements for the said demand.
- ii. Note 47 to the standalone financial statements, which states that the Company has given operational advances to few parties aggregating ₹184.90 million which is long overdue and the full recoverability of

which is doubtful. As set out in the aforesaid note, the management is making necessary efforts to ensure collection of dues from those parties. 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.

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

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

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

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Emphasis of Matter

We draw your attention to:

- i. Note 48 to the standalone financial statements which states that based on the Scheme of arrangement by the Hon'ble Andhra Pradesh High Court by its Order dated March 19, 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 Directors may deem fit. The Company had adjusted an amount of ₹ 29.10 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 March 31, 2019.
- ii. Note 49 to the standalone financial statements regarding loans given to a subsidiary amounting to ₹ 200.10 millions in earlier years, which are 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.

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

Key Audit Matters

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

In addition to the matter described in the Basis for Qualified Opinion paragraph above, we have determined the matters described below to be the key audit matters to be communicated in our report.

S r. No.	Key Audit Matter	How our audit addressed the key audit matters
1	<p>Recoverability of Trade Receivable (See Note 10 to the Standalone Financial Statements)</p> <p>The gross balance of trade receivables as at March 31, 2019 amounted to ₹ 492.53 million.</p> <p>Due to the inherent subjectivity that is involved in making judgments in relation to credit risk exposures to determine the recoverability of trade receivables, recoverability of trade receivables is considered a key audit matter.</p>	<p>Our audit included the following:</p> <ul style="list-style-type: none"> • Evaluating the Company's processes and controls relating to the monitoring of trade receivables and review of credit risks of customers. • Examination of management's assessment of the credit review procedures of trade receivables, obtaining trade receivable confirmations, and mapping receipts from the trade receivables after the year end on test basis. • Evaluation of management's assumptions used to determine the expected credit loss on the trade receivables, through detailed analyses of ageing of receivables to historical patterns of receipts, assessment of material overdue individual trade receivables and risks specific to the trade receivable.
2	<p>Evaluation of uncertain tax positions (See Note 35 (I) to the Standalone Financial Statement)</p> <p>The Company has material uncertain tax positions including matters under dispute which could have a significant impact on the Standalone Financial Statement, if the potential expenses were to materialise.</p> <p>The outcome of such matters is uncertain and the position taken by management involves significant judgement.</p>	<p>Our audit included the following:</p> <ul style="list-style-type: none"> • Assessing the appropriateness of the design and implementation of the Company's controls over the assessment of uncertain tax position including matters under dispute and completeness of disclosures. Supporting documentation are tested for the positions taken by the management, meetings are conducted with in-house legal team, to confirm the operating effectiveness of these controls. • Involving our internal experts to review the management's underlying assumptions in estimating the tax provisions and the possible outcome of the disputes. Our internal experts also considered legal precedence and other rulings in evaluating the management's position on these uncertain tax positions including matters under dispute. • Additionally, we considered the effect of new information in respect of uncertain tax positions as at April 1, 2018 to evaluate whether any change was required in the management's position on these uncertainties as at March 31, 2019.

Management's Responsibility for the Standalone Financial Statements

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i)

planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.
2. As required by section 143 (3) of the Act, based on our audit, we report, that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, except for matter described 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;

- (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- (d) Except for the indeterminate effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with the relevant rules thereon.
- (e) The outcome of the matter described in Basis for Qualified Opinion and Emphasis of Matter paragraph above in our opinion, may have an adverse effect on the functioning of the company.
- (f) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164(2) of the Act;
- (g) The reservation relating to maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above.
- (h) With respect to the adequacy of the internal financial controls over financial reporting with respect to standalone financial statement of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (i) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- (j) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Note 35 (I), 45 and 46 to the standalone financial statements;
- ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
- iii. There has been no delay in transferring amounts required to be transferred, to the Investor Education and Protection Fund by the Company.
- iv. The reporting on disclosure relating to the Specified Bank Note is not applicable to the Company for the year ended March 31, 2019.

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

(Anurag Singhi)
Partner
Membership No. 066274

Date: May 28, 2019
Place: Kolkata

Annexure - A to the Independent Auditor's Report

(Referred to in paragraph 1 under the heading 'Report on Other Legal and Regulatory Requirements' section of our report of even date in respect to statutory audit of Gati Limited for the year ended March 31, 2019)

We report that:

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

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

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

There are no arrears in respect of the aforesaid dues as at March 31, 2019 for a period of more than six months from the date they became payable except professional tax of ₹ 0.08 millions and provident fund of ₹ 0.04 million which are due for more than 6 months.

- b). According to the information and explanations given to us, the dues outstanding in respect of dues of income tax, sales tax, duty of excise, service tax, duty of customs, value added tax and goods and services tax has not been deposited by the Company on account of disputes are as follows:

Name of the Statute	Nature Of Dues	Amount (₹ in Millions)	Period to which the amount relates	Forum where dispute is pending
Finance Act, 1994	Service Tax	425.70	From Year 2005 -2018	CESTAT, Audit Commissionerate
Income tax Act	Income tax	211.1	2012-2013	Hon'ble High Court, Telangana

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

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

(Anurag Singhi)
Partner
Membership No. 066274

Date: May 28, 2019
Place: Kolkata

Annexure – B to the Independent Auditor's Report

(Referred to in paragraph 2(h) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date in respect to statutory audit of Gati Limited for the year ended March 31, 2019)

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

We have audited the internal financial controls over financial reporting of Gati Limited ('the Company') as of March 31, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial control over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control

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

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

Date: May 28, 2019
Place: Kolkata

(Anurag Singhi)
Partner
Membership No. 066274

Balance Sheet

as at March 31, 2019

(₹ in Mn)

	Notes	As at March 31, 2019	As at March 31, 2018
ASSETS			
NON CURRENT ASSETS			
Property, Plant and Equipment	3	2,823.49	2,861.76
Capital Work in Progress	3	5.13	0.81
Investment in Subsidiaries and Associate	4	5,678.52	5,678.52
Financial Assets			
Investments	5	24.00	39.23
Loans	6	200.52	181.43
Deferred tax Assets (Net)	7	-	-
Non Current Tax Asset (Net)		137.27	137.13
Other non-current assets	8	129.11	125.92
		8,998.04	9,024.80
CURRENT ASSETS			
Inventories	9	27.40	21.29
Financial assets			
Trade receivables	10	404.96	373.70
Cash and Cash Equivalents	11A	132.28	108.80
Bank Balances other than above	11B	200.52	128.27
Loans	12	1.00	0.81
Other financial assets	13	264.40	286.38
Other current assets	14	37.49	42.29
		1,068.05	961.54
		10,066.09	9,986.34
TOTAL ASSETS			
EQUITY AND LIABILITIES			
EQUITY			
Equity Share Capital	15	217.08	216.69
Other Equity	16	7,455.42	7,323.44
TOTAL EQUITY		7,672.50	7,540.13
LIABILITIES			
NON-CURRENT LIABILITIES			
Financial liabilities			
Borrowings	17	750.31	1,035.46
Other financial liabilities	18	69.44	58.74
Provisions	19	5.39	4.10
		825.14	1,098.30
CURRENT LIABILITIES			
Financial liabilities			
Borrowings	20	104.61	69.63
Trade payables	21	-	-
Total Outstanding Dues of micro and small enterprises		-	-
Total Outstanding Dues of creditor other than micro and small enterprises		650.83	421.59
Other financial liabilities	22	760.65	788.48
Other current liabilities	23	50.77	67.57
Provisions	24	1.59	0.64
		1,568.45	1,347.91
		2,393.59	2,446.21
TOTAL LIABILITIES		10,066.09	9,986.34
TOTAL EQUITY AND LIABILITIES		10,066.09	9,986.34

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

As per our report of even date
For Singhi & Co.

 Chartered Accountants
 ICAI Firm Registration No: 302049E

Anurag Singhi

 Partner
 Membership No: 066274

 Place: Kolkata
 Date: May 28, 2019

For and on behalf of the Board of Directors
K L Chugh

 Chairman
 DIN: 00140124

Peter H Jayakumar

Chief Financial Officer

Mahendra Agarwal

 Founder & CEO
 DIN: 00179779

N Srinivasan

 Director
 DIN: 00004195

 Place: Hyderabad
 Date: May 28, 2019

Statement of Profit and Loss

for the year ended March 31, 2019

(₹ in Mn)

	Notes	Year ended March 31, 2019	Year ended March 31, 2018
I INCOME			
Revenue from Operations	25	5,161.77	4,461.06
Other Income	26	262.72	786.20
TOTAL INCOME (I)		5,424.49	5,247.26
II EXPENSES			
Operating Expenses	27	1,687.56	1,609.12
Purchase of stock-in-trade		2,835.52	2,334.37
Changes in Inventories of Stock-in-Trade	28	(6.11)	(6.57)
Employee benefits expense	29	272.34	288.36
Finance Costs	30	150.86	193.57
Depreciation and amortization expense	31	40.14	49.53
Other expenses	32	188.65	136.13
TOTAL EXPENSES (II)		5,168.96	4,604.51
III PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX (I-II)		255.53	642.75
IV Exceptional Items	33	-	(236.00)
V PROFIT BEFORE TAX (III-IV)		255.53	406.75
VI TAX EXPENSES	34		
Current Tax		13.00	61.99
Deferred Tax		-	-
TOTAL TAX EXPENSES		13.00	61.99
VII PROFIT FOR THE YEAR (V-VI)		242.53	344.76
VIII OTHER COMPREHENSIVE INCOME (OCI)			
Items not to be reclassified to profit or loss :			
Remeasurement gains/(losses) on defined benefit plans		(3.67)	3.16
Equity investments through other comprehensive income		(15.04)	(0.72)
Income tax effect on above items		-	-
OTHER COMPREHENSIVE INCOME FOR THE YEAR, (NET OF TAX)		(18.71)	2.44
IX TOTAL COMPREHENSIVE INCOME FOR THE YEAR (VII+VIII)		223.82	347.20
VIII EARNINGS PER EQUITY SHARE	43		
(NOMINAL VALUE PER SHARE: ₹ 2/- (PREVIOUS YEAR ₹ 2/-))			
Basic (in ₹)		2.24	3.36
Diluted (in ₹)		2.23	3.35

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

As per our report of even date

For Singhi & Co.

Chartered Accountants
ICAI Firm Registration No: 302049E

Anurag Singhi

Partner
Membership No: 066274

Place: Kolkata
Date: May 28, 2019

For and on behalf of the Board of Directors

K L Chugh

Chairman
DIN: 00140124

Peter H Jayakumar

Chief Financial Officer

Mahendra Agarwal

Founder & CEO
DIN: 00179779

N Srinivasan

Director
DIN: 00004195

Place: Hyderabad
Date: May 28, 2019

Cash Flow Statement

for the year ended March 31, 2019

	(₹ in Mn)	
	Year ended March 31, 2019	Year ended March 31, 2018
A: Cash Flow From Operating Activities		
Net Profit Before Taxes as per Statement of Profit and Loss	255.53	406.75
Adjustments For :		
Depreciation and amortization expense	40.14	49.53
Net gain on sale of Property, plant & equipment	(2.50)	(46.62)
Impairment allowance for Investment	0.05	0.49
Expenses on Employee Stock Option scheme	0.07	(11.92)
Finance Costs	150.86	193.57
Allowance for Doubtful Receivables	7.53	(10.98)
Interest Income	(73.16)	(25.69)
Exceptional items	-	236.00
Liability no longer required written back	(32.97)	(516.12)
Dividend income from a Subsidiary	(86.71)	(103.60)
Operating Profit Before changes in operating assets and liabilities	258.82	138.70
Adjustment for changes in operating assets and liabilities:		
Decrease / (Increase) in Inventories	(6.11)	(6.57)
Decrease / (Increase) in Trade receivables	(52.87)	96.23
Decrease / (Increase) in Other current Assets	(1.55)	23.62
Decrease / (Increase) in Other Current Financial Assets	21.98	(13.71)
Decrease / (Increase) in Loans	(0.19)	(0.71)
Increase / (Decrease) in Trade payable	229.24	176.25
Increase / (Decrease) in Current Financial Liabilities	(12.48)	(61.48)
Increase / (Decrease) in Current Liabilities	29.54	34.10
Increase / (Decrease) in provisions	2.24	2.42
Cash generated from Operating Activities	468.62	388.85
Direct Taxes paid (net of refunds)	38.35	234.04
Net Cash generated/(used) from Operating Activities	506.97	622.89
B: Cash Flow From Investing Activities :		
Sale proceeds from Property ,Plant and equipment	3.78	60.70
Purchase of Property ,Plant and equipment including Capital work in progress	(74.8)	(41.92)
Purchase of Investments	-	(76.00)
Sale proceeds from Investments	0.13	-
Investment in Bank Fixed Deposit	(72.25)	(11.81)
Loans given to Subsidiary	-	(10.07)
Interest Received	10.54	14.32
Dividend income from a Subsidiary	86.71	103.60
Net Cash generated/(used) in Investing Activities	21.44	38.82

Cash Flow Statement

for the year ended March 31, 2019

(₹ in Mn)

	Year ended March 31, 2019	Year ended March 31, 2018
C: Cash Flow From Financing Activities		
Proceeds from long term borrowings	-	731.50
Repayment of long term borrowings	(300.13)	(356.70)
Proceeds from Public deposits	36.69	93.21
Repayment of Public desposits	(38.18)	(177.98)
Proceeds from issue of equity shares	11.32	1.56
Repayment of Foreign currency convertible bonds	-	(643.70)
Dividend Paid including tax	(99.94)	(78.70)
Movement in short term borrowings (Net)	34.98	(162.39)
Finance Cost	(149.67)	(193.57)
Net Cash generated/(used) from Financing Activities	(504.93)	(786.77)
Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)	23.48	(125.07)
Cash and Cash Equivalents as at the beginning of the year	108.80	233.87
Cash and Cash Equivalents as at the end of the year	132.28	108.80

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.

2. Components of cash and cash equivalents

(₹ in Mn)

	Year ended March 31, 2019	Year ended March 31, 2018
Balance with Banks:		
In Current Accounts	125.23	99.62
Cash on hand	7.05	9.18
Cash and Cash Equivalents (Refer Note 11A)	132.28	108.80

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

As per our report of even date

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

Anurag Singhi
Partner
Membership No: 066274

Place: Kolkata
Date: May 28, 2019

For and on behalf of the Board of Directors

K L Chugh
Chairman
DIN: 00140124

Peter H Jayakumar
Chief Financial Officer

Mahendra Agarwal
Founder & CEO
DIN: 00179779

N Srinivasan
Director
DIN: 00004195

Place: Hyderabad
Date: May 28, 2019

Statement of Changes in Equity

for the year ended March 31, 2019

A) Equity Share Capital

	No. of Shares	Amount (₹ in Mn)
Balance as at March 31, 2017	8,81,82,054	176.36
Changes in Equity Share Capital for the year ended March 31, 2018	2,01,64,741	40.33
Balance as at March 31, 2018	10,83,46,795	216.69
Changes in Equity Share Capital for the year ended March 31, 2019	1,95,342	0.39
Balance as at March 31, 2019	10,85,42,137	217.08

B) Other Equity

Particulars	Equity Component of Compound Financial Instruments	Reserves and Surplus					Item of other Comprehensive Income		Total	
		Securities Premium	General Reserve	Capital Reserve	Tonnage Tax Reserve (utilised)	Share Option Outstanding account	Special Reserve	Retained Earnings		Equity Investments through other comprehensive income
Profit for the year	63.16	1,688.81	865.75	208.39	92.91	34.48	1,127.78	25.38	6,340.27	
Adjustment during the year*	(63.16)				(11.92)		344.76		344.76	
Final dividend on Equity Shares							63.16		(11.92)	
Adjustments to Security Premium		726.59					(78.70)		(78.70)	
Other Comprehensive income							3.16	(0.72)	2.44	
Balance as at March 31, 2018	-	2,415.40	865.75	208.39	92.91	22.56	1,460.16	24.66	7,323.44	
Profit for the year							242.53		242.53	
Transition adjustments under Ind AS 115 (Refer Note 25 A)							(14.09)		(14.09)	
Issue of equity shares on exercise of employee stock options		17.89				(6.96)	11.26		22.19	
Final dividend on Equity shares including dividend distribution tax							(99.94)		(99.94)	
Other Comprehensive Income							(3.67)	(15.04)	(18.71)	
Balance as at March 31, 2019	-	2,433.29	865.75	208.39	92.91	15.60	1,596.25	9.62	7,455.42	

* Adjustment related to Foreign Currency Convertible Bonds (FCCBs)

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

As per our report of even date

For Singhi & Co.

 Chartered Accountants
 ICAI Firm Registration No: 302049E

Anurag Singhi

 Partner
 Membership No: 066274

 Place: Kolkata
 Date: May 28, 2019

For and on behalf of the Board of Directors

K L Chugh

 Chairman
 DIN: 00140124

Peter H Jayakumar

Chief Financial Officer

Mahendra Agarwal

 Founder & CEO
 DIN: 00179779

N Srinivasan

 Director
 DIN: 00004195

 Place: Hyderabad
 Date: May 28, 2019

Notes to Financial Statements

for the year ended March 31, 2019

1) Corporate and general information:

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

2) Basis of Accounting

2.1 Statement of Compliance

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

2.2 Basis of Measurement

The 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:

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

2.5 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.

Notes to Financial Statements

for the year ended March 31, 2019

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 Changes in Accounting Standard and recent accounting pronouncements

On March 30, 2019 the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2019, notifying Ind AS 116 on Leases. Ind AS 116 would replace the existing leases standard Ind AS 17. The standard sets out the principles for the recognition, measurement, presentation and disclosures for both parties to a contract, i.e. the lessee and the lessor. Ind AS 116 introduces a single lease accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Currently for operating lease rentals are charged to the statement of profit and loss. The Company is currently evaluating the implications of Ind AS 116 on the financial statements.

The Companies (Indian Accounting Standards) Amendment Rules, 2019 also notified amendments to the following accounting standards. The amendments would be effective from April 1, 2019.

1. Ind AS 12, Income taxes – Appendix C on uncertainty over income tax treatments
2. Ind AS 23, Borrowing costs - Accounting treatment for specific borrowings cost to be considered for capitalisation
3. Ind AS 109, Financial instruments - Accounting for prepayment features with Negative Compensation
4. Ind AS 19, Employee benefits – Accounting for defined benefit plan on Plan Amendment, Curtailment or Settlement

The Company is in the process of evaluating the impact of such amendments.

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 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 Amortization:

- 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.

Notes to Financial Statements

for the year ended March 31, 2019

- 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 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.

2.11 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.

Notes to Financial Statements

for the year ended March 31, 2019

- 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 towards satisfaction of a performance obligation is measured at the amount of transaction price (net off variable consideration) allocated to the performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various elements like discounts etc.. Offered by the company as part of the contract. The variable consideration is estimated based on the expected value of outflow.

a) Rendering of services:

Income from logistics services rendered are recognized when control over the services transferred to the customer i.e. when the customer has the ability to control the use of the transferred services as per the terms of contract. Revenue is recognized at the fair value of consideration received or receivable, to the extent that it is probable that the economic benefits will flow

to the company and the revenue can be reliably measured.

b) Sales of Goods:

Revenue from sale of products is recognized when the control on the goods has been transferred to the customer.

c) Others:

- I. Dividend income from investments is recognised when the right to receive payment has been established.
- II. Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the company and amount of income can be measured reliably.
- III. Rent income is recognised on a straight-line basis over the period of the lease.

2.15 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 asset are not reclassified subsequent to their initial recognition, except if and in the period the company changes its business model for managing financial asset. In the case of financial assets, not recorded at fair value through profit or loss (FVPL), financial assets are recognized initially at fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Notes to Financial Statements

for the year ended March 31, 2019

- **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 other comprehensive income (designated as FVOCI-equity investment).

This election is made on an investment-by-investment basis.

Financial assets are measured at the FVOCI if both of the following conditions are met:

- (a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- (b) The asset's contractual cash flows represent SPPI.

Financial assets included within the 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).

- **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

Notes to Financial Statements

for the year ended March 31, 2019

(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.

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 115.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime Expected credit loss at each reporting date, right from its initial recognition.

As a practical expedient, the Company uses historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates to determine impairment loss allowance on portfolio of its trade receivables.

(iv) Derecognition:

a) Financial Assets:

The Company derecognizes a financial asset only

- when the contractual rights to the cash flows from the asset expire, or
- It transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

Notes to Financial Statements

for the year ended March 31, 2019

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 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

Notes to Financial Statements

for the year ended March 31, 2019

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. Remeasurement 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 realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

Notes to Financial Statements

for the year ended March 31, 2019

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

2.19 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 unrealized exchange loss which is treated as an adjustment to interest and subsequently there is a realised or unrealized gain in respect of the

settlement or translation of the same borrowing, the gain to the extent of the loss previously recognised as an adjustment is recognised as an adjustment to interest.

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 "Share Option outstanding account". In case of forfeiture of unvested option, portion of amount already expensed is reversed. In a situation where the vested option forfeited or expires unexercised, the related balance standing to the credit of the "Share Option outstanding account" are transferred to the "General Reserve". When the options are exercised, the Company issues new fully paid up equity shares of the Company. The proceeds received and the related balance standing to credit of the Share Option outstanding account, are credited to equity share capital (nominal value) and Securities Premium.

2.23 Earnings per share:

(i) Basic earnings per share

Basic earnings per share are calculated by dividing the net profit or loss before other comprehensive Income for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

(ii) Diluted earnings per share:

Diluted earnings per share adjust the figures used in the determination of basic earnings per share to take into account:

- The after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

Notes to Financial Statements

for the year ended March 31, 2019

3 Property, Plant and Equipment

Tangible Assets

Particulars	Cost			Depreciation			Net Carrying Value	
	As at	Additions	Deductions/	As at	For the year	Deductions/	As at	As at
	March 31, 2018	March 31, 2018	Adjustment	March 31, 2019	March 31, 2018	Adjustment	March 31, 2019	March 31, 2019
Freehold Land	2,266.61	-	-	2,266.61	-	-	-	2,266.61
Buildings (Refer Note 3 (c) below)	474.74	2.00	0.26	476.48	8.18	0.19	45.13	431.36
Vehicles	59.33	-	1.82	57.51	2.65	0.73	46.32	11.19
Plant & Machinery	40.28	-	-	40.28	2.68	-	9.94	30.34
Computers	92.66	0.10	1.90	90.87	6.94	1.79	82.41	8.46
Furniture & Fittings	137.80	0.53	-	138.34	11.22	-	72.12	66.22
Office Equipments	47.67	0.52	-	48.19	8.48	-	38.87	9.32
TOTAL	3,119.09	3.16	3.98	3,118.27	40.14	2.71	294.78	2,823.49

(₹ in Mn)

Particulars	Cost			Depreciation			Net Carrying Value	
	As at	Additions	Deductions/	As at	For the year	Deductions/	As at	As at
	March 31, 2017	March 31, 2018	Adjustment	March 31, 2018	March 31, 2017	Adjustment	March 31, 2018	March 31, 2018
Freehold	2,279.11	-	12.50	2,266.61	-	-	-	2,266.61
Buildings	402.72	73.21	1.19	474.74	29.17	0.04	37.14	437.60
Vehicles	55.12	5.15	0.94	59.33	41.91	0.28	44.40	14.93
Plant & Machinery	35.18	5.10	-	40.28	4.83	-	7.25	33.03
Computers	93.60	1.23	2.17	92.66	63.37	2.41	77.26	15.40
Furniture & Fittings	134.20	3.60	-	137.80	49.35	-	60.90	76.90
Office Equipments	44.50	3.17	-	47.67	21.90	-	30.39	17.28
TOTAL	3,044.43	91.46	16.80	3,119.09	210.53	2.73	257.33	2,861.76

(₹ in Mn)

Notes to Financial Statements

for the year ended March 31, 2019

Capital Work in Progress

(₹ in Mn)

	As at March 31, 2019	As at March 31, 2018
	5.13	0.81
	5.13	0.81

Notes :

- The amount of Contractual commitments for acquisition of property, plant and equipment is disclosed in Note.35 (II)
- Refer Note 17 and Note 20 for information on Property, Plant and Equipments pledged as securities by the Company.
- The Company had committed in an earlier year to transfer portion of an office building to a public trust for a consideration of ₹ 62.5 Mn against which an advance of ₹ 25 Mn had already been received. As the Trust has not so far taken steps to complete the transaction and in view of the long lapse of time, the said office space has not been classified as "Asset Held for Sale" in the Balance Sheet.

4. Investment in Subsidiaries and Associate

(₹ in Mn)

	As at March 31, 2019		As at March 31, 2018	
	Numbers / Units	Amount	Numbers / Units	Amount
Investments measured at Cost				
Equity instrument (Unquoted)				
A) Investment in Subsidiaries				
Gati Asia Pacific Pte Ltd. of \$1 (SGD) each	88,65,829	351.05	88,65,829	351.05
Less: Impairment Allowance		(275.05)		(275.05)
		76.00		76.00
Zen Cargo Movers Pvt. Ltd. of ₹ 10/- each	3,62,163	3.62	3,62,163	3.62
Less: Impairment Allowance		(3.62)		(3.62)
		-		-
Gati Kausar India Ltd. of ₹ 10/-each (25,62,826 (Previous year: 25,62,826 shares) shares pledged with institution as security for bonds issued by Gati Kausar India Ltd.)	52,12,526	401.37	52,12,526	401.32
Less: Impairment Allowance		(401.37)		(401.32)
		-		-
Gati Import Export Trading Ltd.of ₹ 10/- each	23,00,000	23.00	23,00,000	23.00
Gati Kintetsu Express Pvt Ltd. of ₹ 10/- each	3,50,000	5,525.54	3,50,000	5,525.54
Gati Logistics Parks Private Ltd. of ₹ 10/- each	10,000	53.88	10,000	53.88
Gati Projects Private Ltd. of ₹ 10/- each	10,000	0.10	10,000	0.10
Total (A)		5,678.52		5,678.52
B) Investment in an Associate				
Gati Ship Ltd. of ₹ 10/- each	48,00,000	862.30	48,00,000	862.30
Less: Impairment Allowance		(862.30)		(862.30)
Total (B)		-		-
Grand Total (A+B)		5,678.52		5,678.52

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

(₹ in Mn)

	As at March 31, 2019	As at March 31, 2018
Aggregate carrying cost of Unquoted Investments (Net of Impairment allowance)	5,678.52	5,678.52
Aggregate Impairment Allowance	1,542.34	1,542.29

Notes to Financial Statements

for the year ended March 31, 2019

5. Investments

(₹ in Mn)

	As at March 31, 2019		As at March 31, 2018	
	Number / Units	Amount	Number / Units	Amount
A) Investments at Fair Value through Other Comprehensive Income				
Investment in Equity Instrument (Quoted)				
TCI Finance Ltd. of ₹ 10/- each	16,00,300	24.00	16,00,300	39.05
Total (A)		24.00		39.05
B) Investments at Fair Value through Profit and Loss				
1. Investments in Equity Instruments (Unquoted)				
Amrit Jal Ventures Pvt Ltd. of ₹ 10/- each*	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
Total		-		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 :				
14.5% Unsecured OCD of Amrit Jal Ventures Pvt Ltd. of ₹ 100 /- each	34,57,236	-	34,57,236	-
14.5% Unsecured OCD of Gati Infrastructure Sada-Mangder Power Pvt Limited of ₹ 100/- each	9,93,354	-	9,93,354	-
Sub Total B=(1+2+3)		-		0.18
Grand Total (A+B)		24.00		39.23

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

(₹ in Mn)

	As at March 31, 2019	As at March 31, 2018
Aggregate Market Value of Quoted Investments	24.00	39.05
Aggregate carrying cost of Quoted Investments	14.39	14.39
Aggregate carrying cost of Unquoted Investments	-	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.

Note:

Based on the valuation being done internally/ by independent agencies the valuation for Investments at Fair Value through Profit and Loss is considered to be Nil (Previous year Nil).

6. Loans

(₹ in Mn)

	As at March 31, 2019	As at March 31, 2018
Unsecured, Considered Good		
Security Deposits (Rental)	2.12	2.69
Secured, Considered Good		
Loan to Subsidiary (Refer note: 49)	198.40	178.74
Total	200.52	181.43

Notes to Financial Statements

for the year ended March 31, 2019

7. Deferred tax Assets (Net)

(₹ in Mn)

	As at March 31, 2019	As at March 31, 2018
Deferred Tax Asset		
Allowance for Doubtful Receivables & Loans	41.89	58.49
Deferred Tax Liability		
Property, Plant and Equipment	(24.95)	(17.04)
Others	(16.94)	(41.45)
Total	-	-

Note:

Deferred tax asset arising on account of business loss, allowance for doubtful receivables and advances, allowance for impairment of investments etc has been recognised in books only to the extent of deferred tax liability. The reason for non recognition of deferred tax asset is due to carry forward losses and possible future capital gain on investments not being available for set off.

8. Other Non current assets

(₹ in Mn)

	As at March 31, 2019	As at March 31, 2018
Capital Advance	12.02	3.29
Deferred employee stock option compensation	1.84	6.34
Advance - Lease Rentals	96.76	97.86
Security Deposits	16.20	15.64
Prepaid Expenses	2.29	2.79
Total	129.11	125.92

9. Inventories

(₹ in Mn)

	As at March 31, 2019	As at March 31, 2018
(At lower of cost or Net realisable value)		
Stock in Trade	27.40	21.29
Total	27.40	21.29

10. Trade Receivables

(₹ in Mn)

	As at March 31, 2019	As at March 31, 2018
Unsecured		
Considered Good	404.96	373.70
Significant increase in credit risk	-	-
Credit Impaired	87.57	126.06
	492.53	499.76
Less: Allowance for Doubtful Receivables	87.57	126.06
Total	404.96	373.70

Note:

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.

Notes to Financial Statements

for the year ended March 31, 2019

11A. Cash and Cash Equivalents

(₹ in Mn)

	As at March 31, 2019	As at March 31, 2018
Cash on hand	7.05	9.18
Balance with Banks:		
In Current Accounts	125.23	99.62
Total	132.28	108.80

11B. Bank Balances other than 11A above

(₹ in Mn)

	As at March 31, 2019	As at March 31, 2018
Deposits with original maturity of more than three months and less than twelve months *	191.53	120.55
Unpaid Dividend account	8.99	7.72
Total	200.52	128.27

* Fixed deposit amounting to ₹ 16.50 Mn (Previous year: ₹ 16.50 Mn) has been lien Marked for a term Loan.

12. Loans

(₹ in Mn)

	As at March 31, 2019	As at March 31, 2018
Unsecured, Considered Good, unless otherwise stated		
Loans to others	1.00	0.81
Loan receivable with significant increase in credit risk	-	-
Loan receivable with credit Impaired from subsidiary	16.37	16.37
Less: Allowance for Doubtful Loans	(16.37)	(16.37)
Total	1.00	0.81

13. Other financial assets

(₹ in Mn)

	As at March 31, 2019	As at March 31, 2018
(Unsecured, Considered good unless otherwise stated)		
Accrued Interest on Deposits, Loan & investments, etc	220.24	218.41
Less: Allowance for Doubtful receivables	(215.71)	(215.71)
	4.53	2.70
Other Advances receivable (Refer Note: 45 & 47)	265.86	283.68
Less: Allowance for Doubtful receivables	(5.99)	-
	259.87	283.68
Total	264.40	286.38

14. Other Current Assets

(₹ in Mn)

	As at March 31, 2019	As at March 31, 2018
(Unsecured, Considered good unless otherwise stated)		
Operational Advance	13.35	16.72
Prepaid Expenses	4.06	5.84
Balances with Government Authorities	12.74	11.49
Prepaid Lease Rentals	1.10	1.10
Others	6.24	7.14
Total	37.49	42.29

Notes to Financial Statements

for the year ended March 31, 2019

15. Equity Share Capital

(₹ in Mn)

	As at March 31, 2019		As at March 31, 2018	
	Number	Amount	Number	Amount
Authorized:				
Equity Shares of ₹ 2/- each	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
		300.00		300.00
Issued:				
Equity Shares of ₹ 2/- each fully paid up	10,85,42,137	217.08	10,83,46,795	216.69
		217.08		216.69
Subscribed and Paid-up:				
Equity Shares of ₹ 2/- each fully paid up	10,85,42,137	217.08	10,83,46,795	216.69
		217.08		216.69

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 Director is subject to the approval of shareholder in the ensuing Annual General Meeting except in case of interim dividend. In the event of liquidation, the equity shareholder are eligible to receive the remaining assets of the Company after payment of all preferential amounts, in proportion to their shareholding.

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

(₹ in Mn)

Equity Shares of ₹ 2 each fully paid	As at March 31, 2019		As at March 31, 2018	
	No. of Shares	Amount	No. of Shares	Amount
Shares at the beginning of the year	10,83,46,795	216.69	8,81,82,054	176.36
Shares issued on exercise of Employee Stock Option Scheme	1,95,342	0.39	2,90,516	0.58
Conversion of Foreign currency convertible bond	-	-	1,98,74,225	39.75
Shares at the end of the year	10,85,42,137	217.08	10,83,46,795	216.69

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

(₹ in Mn)

Name of the share holder	As at March 31, 2019		As at March 31, 2018	
	No. of Shares	% Holding	No. of Shares	% Holding
Equity Shares of ₹ 2 each fully paid held by				
Bay Capital India Fixed Income Fund Ltd.,	78,34,755	7.22%	98,74,726	9.11%
Goldman Sachs International	64,35,000	5.93%	90,97,605	8.40%
Neera And Children Trust	55,99,995	5.16%	55,99,995	5.17%
Total	1,98,69,750	18.31%	2,45,72,326	22.68%

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) 3,58,150 options (Equity Shares of ₹ 2 each) are reserved under employee stock option scheme as on March 31, 2019 (Previous year 5,94,992 as on March 31, 2018) out of this 2,47,150 options and 1,11,000 options will vest/ allot in the year 2019-20 & 2020-21 respectively.

Notes to Financial Statements

for the year ended March 31, 2019

15. Equity Share Capital (Contd..)

(₹ in Mn)

	As at March 31, 2019		As at March 31, 2018	
	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	3,58,150	0.72	5,94,992	1.19
Total	3,58,150	0.72	5,94,992	1.19

- 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.

16. Other Equity

(₹ in Mn)

	As at March 31, 2019	As at March 31, 2018
a) Securities Premium	2,433.29	2,415.40
b) General Reserve	865.75	865.75
c) Capital Reserve	208.39	208.39
d) Tonnage Tax Reserve (Utilised)	92.91	92.91
e) Share Option Outstanding account	15.60	22.56
f) Special Reserve	2,233.61	2,233.61
g) Retained Earning	1,596.25	1,460.16
h) Other Comprehensive Income	9.62	24.66
Total Other Equity	7,455.42	7,323.44

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

- a) Securities Premium :** Securities premium represents the premium on issue of equity shares. The same can be utilised in accordance with the provisions of the Companies Act, 2013.
- b) General Reserve:** This reserve is the retained earnings of the company, which are kept aside out of the Company's profit to meet future (known or unknown) obligations.
- c) Capital Reserve :** Capital Reserve includes amount received on allotment of convertible warrants was forfeited and transferred to Capital Reserve Account.
- d) Tonnage Tax Reserve (Utilised):** This reserve is a statutory reserve which is created and will be utilized in accordance with the provisions of Section 115VT of Income tax Act 1961 to comply with the provisions of 'Tonnage Tax Scheme' under Chapter XII-G.
- e) Share option outstanding account :** The share option outstanding account is used to record the value of equity-settled share based payment transactions with employees. The amount recorded in the share option outstanding account are transferred to securities premium upon exercise of stock options by employees.
- f) Special Reserve :** The Hon'ble Andhra Pradesh High Court, approved the Scheme of Arrangement for amalgamation. ("The Scheme") vide its Order dated March 19, 2013 which interalia, permits creation of a capital reserve to be called Special Reserve to which shall be credited excess of value of assets over value of liabilities on amalgamation of the subsidiaries amounting to ₹ 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.

Notes to Financial Statements

for the year ended March 31, 2019

16. Other Equity (Contd..)

h) 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.

17. Borrowings

(₹ in Mn)

	As at March 31, 2019		As at March 31, 2018	
	Non - Current Maturities	Current Maturities	Non - Current Maturities	Current Maturities
Secured				
i) Term Loan From Banks	521.85	209.54	738.61	247.25
ii) Term Loan From Financial Institutions	139.88	52.82	191.58	47.72
Sub Total (A)	661.73	262.36	930.19	294.97
Unsecured				
Fixed deposits from public	88.58	47.32	105.27	31.18
Amount disclosed under the head "Other Current Financial Liabilities" (Refer Note: 22)		(309.68)	-	(326.15)
Sub Total (B)	88.58	(262.36)	105.27	(294.97)
Total (A+B)	750.31	-	1,035.46	-

(₹ in Mn)

Bank Name	ROI	No of Instalments	Installment Amount	Starting Date	Outstanding Amount ₹	Nature of Security /Pledge
State Bank of India	MCLR+450 BPS	12/Quarterly	10.00	30-Jun-18	120.00	Note (A)
Karur Vysya Bank Ltd	MCLR +200 BPS	1/Quarterly	18.75	30-Sep-15	18.75	Note (B)
Syndicate Bank	MCLR+160 BPS	11/Quarterly	18.75	31-Mar-18	206.25	Note (C)
Hero Fincorp Ltd	11.50%	39/Monthly	4.87	8-Jul-17	189.97	Note (D)
Kotak Mahindra Bank Ltd-Loan I	MCLR + 80 BPS	45/Monthly	1.77	5-Jan-18	79.76	Note (E)
Kotak Mahindra Bank Ltd-Loan II	MCLR + 80 BPS	45/Monthly	3.66	25-Apr-18	164.86	
South Indian Bank Ltd	MCLR +50 BPS	62/Monthly	2.28	31-Mar-16	141.52	Note (F)
Vehicle Loan	9.30%	40/Monthly	0.13	1-Aug-13	5.23	Note (G)
Unwinding interest on term loan					(2.25)	

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 Hubli, 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.
 - 3) Personal Guarantee of Managing Director"

Notes to Financial Statements

for the year ended March 31, 2019

17. Borrowings (Contd..)

Notes Nature of Security/Pledge

E)	First and exclusive charge by way of mortgage of Immovable property situated at Samalka, 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.

18. Other financial liabilities

(₹ in Mn)

	As at March 31, 2019	As at March 31, 2018
Interest accrued but not due on borrowings	4.40	3.03
Rental Obligation	24.29	24.65
Security Deposit	40.75	31.06
Total	69.44	58.74

19. Provisions

(₹ in Mn)

	As at March 31, 2019	As at March 31, 2018
Employee Benefits		
- Leave Encashment	5.39	4.10
Total	5.39	4.10

20. Borrowings

(₹ in Mn)

	As at March 31, 2019	As at March 31, 2018
Secured		
Working Capital facilities		
From banks *	104.61	69.63
Total	104.61	69.63

(₹ in Mn)

Particulars of Nature of Security:	As at March 31, 2019	As at March 31, 2018
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.	56.56	51.06
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.	48.05	18.57
Total	104.61	69.63

* Weighted average rate of interest is 11%.

21. Trade Payables

(₹ in Mn)

	As at March 31, 2019	As at March 31, 2018
For Goods and Services		
Total Outstanding dues of micro and small enterprises (Refer Note No: 38)	-	-
Total Outstanding dues of creditors other than micro and small enterprises (Including acceptances)	650.83	421.59
Total	650.83	421.59

Notes to Financial Statements

for the year ended March 31, 2019

22. Other financial liabilities

(₹ in Mn)

	As at March 31, 2019	As at March 31, 2018
Current Maturities of Long-term Borrowings (Refer Note. 17)	309.68	326.15
Security Deposits	25.43	20.48
Corporate Guarantee Obligation	1.02	3.64
Rental Obligation	3.59	3.02
Interest accrued but not due on Borrowings	3.75	2.45
Unpaid Dividends (a)	8.99	7.72
Employee benefits Liabilities	39.70	27.17
Unpaid matured deposits and interest accrued thereon	7.28	9.31
Liability towards guarantee invoked (Refer Note.33)	236.00	236.00
Others	125.21	152.54
Total	760.65	788.48

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

23. Other current liabilities

(₹ in Mn)

	As at March 31, 2019	As at March 31, 2018
Statutory dues payable	25.56	13.78
Other Advances		
Due to an Associate	-	25.79
Others (Refer Note 3c)	25.21	28.00
Total	50.77	67.57

24. Provisions

(₹ in Mn)

	As at March 31, 2019	As at March 31, 2018
Provision for Employee Benefits		
Leave Encashment	1.59	0.64
Total	1.59	0.64

25. Revenue from Operations

(₹ in Mn)

	Year ended March 31, 2019	Year ended March 31, 2018
Sale of Services		
Freight, Ecom, Demurrage and Miscellaneous services	2,189.77	2,027.99
Sale of Products		
Sale of Diesel, Petrol and Lubricants	2,920.91	2,399.32
Total (A)	5,110.68	4,427.31
Other Operating Revenue		
Management Fee from Subsidiaries	16.66	19.80
Other Recoveries	34.43	13.95
Total (B)	51.09	33.75
Grand Total (A+B)	5,161.77	4,461.06

Notes to Financial Statements

for the year ended March 31, 2019

A. Adoption of Ind AS 115-Revenue from contract with customers:

Effective April 01, 2018, the Company adopted Ind AS-115 "Revenue from Contracts with Customers" using modified retrospective approach as on April 1, 2018. As a result of change in the accounting policy on adoption of Ind AS 115, transition adjustment of ₹ 14.09 Mn has been with retained earnings (net of deferred tax) as at April 1, 2018. Due to change in the accounting policy for revenue recognition, revenue from operations for the year is lower by ₹ 2.30 Mn, if erstwhile standards were applicable.

B. Revenue from contracts with customers disaggregated based on revenue stream and by reportable segment (₹ in Mn)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Revenue based on product & services		
a) Express Distribution	2,189.77	2,027.99
b) Fuel Stations	2,920.91	2,399.32
Other Operating Revenues	51.09	33.75
Total	5,161.77	4,461.06
Revenue based on Geography		
India	5,161.77	4,461.06
Overseas	-	-
	5,161.77	4,461.06
Reconciliation of Revenue from Operation with contract price		
Revenue as per contract price	5,188.06	4,511.06
Less:		
Credit Note	(77.38)	(83.75)
Revenue from Operation	5,110.68	4,427.31

Transaction Price - Unsatisfied Performance Obligation

The Company's unsatisfied performance obligations mainly arises on account of undelivered shipments. The aggregate value of transaction price allocated to the unsatisfied performance obligations as at 31st March 2019 is ₹ 15.3 Mn, which is expected to be recognised during next year.

C. Contract Balances (₹ in Mn)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Contract Assets	15.27	11.83
Trade Receivables	492.53	499.76
Less: Impairment allowances	87.57	126.06
Total	404.96	373.70

Contract asset is the right to consideration in exchange for goods or services transferred to the customer. Contract liability is the entity's obligation to transfer goods or services to a customer for which the entity has received consideration from the customer in advance. Contract assets are transferred to receivables when the rights become unconditional and contract liabilities are recognised as revenue as and when the performance obligation is satisfied.

Notes to Financial Statements

for the year ended March 31, 2019

26. Other Income

(₹ in Mn)

	Year ended March 31, 2019	Year ended March 31, 2018
Interest Income on		
Deposit with Bank and Others	10.54	8.53
Unwinding of other financial assets	19.66	17.16
Refund of Income tax	40.29	24.03
Dividend Income		
From Subsidiary	86.71	103.60
Other Non Operating Income		
Rental Income	61.51	60.05
Net Foreign Exchange Gain	1.12	1.41
Net Gain on disposal of Property, plant & equipment	2.50	46.62
Liabilities no longer required written back (Refer Note no.48)	32.97	516.12
Others	7.42	8.68
Total	262.72	786.20

27. Operating Expenses

(₹ in Mn)

	Year ended March 31, 2019	Year ended March 31, 2018
Freight	1,571.77	1,494.98
Other Operating Expenses	69.84	68.30
Claims for Loss & Damages (Net)	45.95	45.84
Total	1,687.56	1,609.12

28. Changes in Inventories of Stock-in-Trade

(₹ in Mn)

	Year ended March 31, 2019	Year ended March 31, 2018
Opening Stock:		
Stock-in-trade	21.29	14.72
	21.29	14.72
Less: Closing Stock		
Stock-in-trade	27.40	21.29
	27.40	21.29
Increase / (Decrease) in Inventories of Stock-in-trade	(6.11)	(6.57)

29. Employee benefits expense

(₹ in Mn)

	Year ended March 31, 2019	Year ended March 31, 2018
Salaries, Wages & Bonus	254.79	272.27
Contribution to Provident and Other Funds	10.96	8.15
Staff Welfare Expenses	6.52	6.86
Expenses on Employee Stock Option scheme	0.07	1.08
Total	272.34	288.36

Notes to Financial Statements

for the year ended March 31, 2019

30. Finance Costs

(₹ in Mn)

	Year ended March 31, 2019	Year ended March 31, 2018
Interest Expense on		
Term Loans and Working Capital facilities	136.04	166.04
Public Deposits	13.12	20.38
Others Borrowing Cost	1.70	7.15
Total	150.86	193.57

31. Depreciation and amortization expense

(₹ in Mn)

	Year ended March 31, 2019	Year ended March 31, 2018
Depreciation on Tangible Assets	40.14	49.53
Total	40.14	49.53

32. Other expenses

(₹ in Mn)

	Year ended March 31, 2019	Year ended March 31, 2018
Rent	14.66	19.51
Rates and Taxes	2.18	5.09
Repairs and Maintenance	16.32	16.00
Insurance	1.63	1.91
Telephone expenses	8.06	7.69
Printing and Stationery	4.21	4.00
Travelling expenses	11.66	11.76
Electricity	3.08	2.95
Professional and Consultancy Charges	22.59	28.43
Bank Collection charges	16.14	18.87
Donations	3.23	-
Corporate Social Responsibility Expenditure (Refer Note 32.1)	-	-
Directors Sitting fees	2.83	1.66
Commission to Non-Whole-time Directors	2.10	2.10
Remuneration to Auditors [Refer Note: 32.2]	1.47	1.32
Allowance for Doubtful Receivables	7.53	(10.98)
Bad debts and irrecoverable balances written off	39.51	122.75
Less: Provision for loss allowances recognised in earlier years	(39.51)	(122.75)
Impairment allowance for Investment	0.05	0.49
Management Fee	40.88	-
Miscellaneous expenses	30.03	25.33
Total	188.65	136.13

32.1 Corporate Social Responsibility Expenditure

(₹ in Mn)

	Year ended March 31, 2019	Year ended March 31, 2018
Gross amount required to be spent by the company during the year (A)	13.20	6.69
Amount Spent during the year (B)		
i) Construction/Acquisition of any asset	-	-
ii) On purpose other than (i) above	-	-
Accumulated amount Unspent as at year end (A-B)	13.20	6.69

Notes to Financial Statements

for the year ended March 31, 2019

32.2 Payment to auditor (Excluding Goods and Services Tax)

(₹ in Mn)

	Year ended March 31, 2019	Year ended March 31, 2018
Statutory Audit fees	0.66	0.70
Taxation Matters	0.33	0.30
Certification fees and other services	0.48	0.32
Total	1.47	1.32

33. Exceptional Items

(₹ in Mn)

	Year ended March 31, 2019	Year ended March 31, 2018
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.

34. TAX EXPENSES

(₹ in Mn)

	Year ended March 31, 2019	Year ended March 31, 2018
Income Tax recognised in Statement of Profit and Loss		
Current Tax	13.00	61.99
Deferred Tax	-	-
Total	13.00	61.99

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

(₹ in Mn)

	Year ended March 31, 2019	Year ended March 31, 2018
Profit before Tax	255.53	406.75
Applicable Tax Rate	34.944%	34.608%
Tax Expense	89.29	140.77
Tax Effect of :		
Non-deductible expenses for tax purpose	2.80	1.04
Non-taxable income for tax purpose	(30.30)	(35.85)
Utilisation of previously unrecognised tax losses	(35.40)	(113.99)
Other differences (Including effect of non recognition of Deferred Tax Asset)	(26.39)	8.05
MAT payable at 18.5% on the adjusted book profits of the company in accordance with the provisions of Income Tax Act, 1961	13.00	61.99
Income tax recognised in profit or loss	13.00	61.99
Effective Tax Rate	5%	15%
MAT credit has not been recognised by the company in view of Management.		

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35. Contingent liabilities and Commitments

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

(₹ in Mn)

	As at March 31, 2019	As at March 31, 2018
(a) Claim against the Company not acknowledged as debt		
(i) Income tax Demand disputed in appeals	1,283.13	1,210.34
(ii) Service Tax demand disputed in appeals	438.48	456.88
(iii) Others	40.35	70.25
Total	1,761.96	1,737.47
(b) Bank Guarantee (*)	3.58	3.29
(c) Corporate Guarantee outstanding (**)	417.44	541.88

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

(**) Corporate guarantee given to Subsidiary companies.

(d) There is numerous interpretive issues related to the Supreme Court judgment dated February 20, 2019 on Provident Fund (PF) on the inclusion of allowance for the purpose of PF contribution as well its applicability of effective date. The company will address the issue when clarification is made available.

(II) Commitments

(₹ in Mn)

	As at March 31, 2019	As at March 31, 2018
(a) Commitment for acquisition of Property, Plant & Equipment's (Net of advances)		
Towards Property, plant & Equipment	13.76	2.64
Total	13.76	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 :

(₹ in Mn)

	As at March 31, 2019	As at March 31, 2018
i) Not later than one year	1.10	1.10
ii) Later than one year but not later than five years	4.41	4.41
iii) Later than five years	92.35	93.45
Total	97.86	98.96

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

(₹ in Mn)

	As at March 31, 2019	As at March 31, 2018
Statement of Assets and Liabilities for defined benefit obligation		
Defined benefit asset - Gratuity Plan	19.21	17.00
Defined benefit obligation - Gratuity Plan	12.97	9.87
Net employee benefit (liabilities) / Asset	6.24	7.13

Defined contribution

The expense for defined contribution plans amounted to ₹ 10.96 Mn and ₹ 8.15 Mn for the year ended 31 March 2019 and 31 March 2018 respectively. Out of these, ₹ 10.96 Mn (31 March 2018 ₹ 8.15 Mn) pertains to provident / pension funds and ₹ 0.21 Mn (31 March 2018 ₹ 0.21 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/

Notes to Financial Statements

for the year ended March 31, 2019

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 March 31, 2019	As at March 31, 2018
(I) Reconciliation of present value of defined benefit obligation		
(a) Balance at the beginning of the year	9.87	11.54
(b) Current service cost	1.78	2.43
(c) Interest cost	0.75	0.94
(d) Past service cost	-	0.70
(e) Benefits paid	(2.58)	(2.70)
(f) Actuarial (gains)/ losses recognised in other comprehensive income	-	-
change in financial assumptions	0.86	(3.40)
experience adjustments	2.29	0.36
Balance at the end of the year	12.97	9.87
(II) Reconciliation of present value of plan assets		
(a) Balance at the beginning of the year	17.00	12.24
(b) Investment Income	0.79	0.99
(c) Return on plan assets, excluding amount recognised in net interest expense	0.51	0.12
(d) Contributions by the employer	4.00	6.35
(e) Benefits paid	(2.58)	(2.70)
Balance at the end of the year	19.72	17.00
(III) Net asset/ (liability) recognised in the Balance Sheet		
(a) Present value of defined benefit obligation	(12.97)	(9.87)
(b) Fair value of plan assets	19.72	17.00
Net defined benefit Asset/(obligations) in the Balance Sheet	6.75	7.13
(IV) Expense recognised in Statement of Profit or Loss		
(a) Current service cost	1.78	2.43
(b) Past Service Cost	-	0.70
(c) Interest Income (Net)	(0.55)	(0.06)
Amount charged to Profit or Loss	1.23	3.07
(V) Remeasurements recognised in Other Comprehensive Income		
(a) Actuarial gain / (loss) on defined benefit obligation	3.15	(3.04)
(b) Return on plan asset excluding interest income	0.52	(0.12)
Amount recognised in Other Comprehensive Income	3.67	(3.16)
(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	7.50%	7.65%
(b) Future salary growth	4%	3%
(c) Retirement age (years)	58	58
(d) Withdrawal rates	9%	9%
(e) Mortality rate (% of IALM O6-08)	100%	100%

Notes to Financial Statements

for the year ended March 31, 2019

(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 March 31, 2019		As at March 31, 2018	
	Increase	Decrease	Increase	Decrease
(a) Discount rate (1% movement)	(0.76)	0.86	(0.58)	0.63
(b) Future salary growth (1% movement)	0.83	(0.75)	0.66	(0.61)
(c) Withdrawal assumption (1% movement)	0.13	(0.14)	0.11	(0.14)

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions as shown.

Expected cash flows over the next (Valued on undiscounted cash flows)

(₹ in Mn)

	As at March 31, 2019	As at March 31, 2018
1 year	1.30	1.03
2 to 5 years	7.42	6.19
6 to 10 years	6.08	4.28
More than 10 years	8.48	6.09

38. Due to Micro enterprises and small enterprises

(₹ in Mn)

	As at March 31, 2019	As at March 31, 2018
(i) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of the accounting year : Principal amount due to micro and small enterprises Interest due on above Total	- - -	- - -
(ii) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during the accounting year	-	-
(iii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006.	-	-
(iv) The amount of interest accrued and remaining unpaid at the end of the accounting year.	-	-
(v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. There are no dues unpaid to Micro and Small Enterprises as on March 31, 2019.

39. Dividend

(₹ in Mn)

	Year ended March 31, 2019	Year ended March 31, 2018
Dividend on equity shares paid during the year including Tax	99.94	78.70
Final Dividend for the FY 2017-18 [₹ 0.90 (Previous year ₹ 0.80) per equity share of ₹ 2 each]		
	99.94	78.70

Proposed Dividend:

The Board of Directors at its meeting held on May 28, 2019 has recommended a payment of final dividend of ₹ 0.80 per equity share of face value of ₹ 2 each for the financial year ended March 31, 2019. The same amounts to ₹ 89.14 Mn (Including Dividend Distribution Tax amounts to ₹ 2.30 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 March 31, 2019

4.0. Financial instruments - fair values and risk management

A. Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities as at March 31, 2019, including their levels in the fair value hierarchy. (₹ in Mn)

Particulars	Carrying amount			Fair Value					
	FVTPL	FVOCI	Other financial assets - amortised cost	Other financial liabilities - amortised cost	Total carrying amount	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value									
Investment in equity instruments	-	24.00	-	-	24.00	24.00	-	-	24.00
	-	24.00	-	-	24.00	24.00	-	-	24.00
Financial assets not measured at fair value									
Loans	-	-	201.52	-	201.52				
Other financial assets	-	-	264.40	-	264.40				
Trade receivables	-	-	404.96	-	404.96				
Cash and cash equivalents	-	-	132.28	-	132.28				
Other bank balances	-	-	200.52	-	200.52				
	-	-	1,203.68	-	1,203.68				
Financial liabilities not measured at fair value									
Borrowing	-	-	-	1,164.60	1,164.60				
Trade payables	-	-	-	650.83	650.83				
Other financial liabilities	-	-	-	520.40	520.40				
	-	-	-	2,335.83	2,335.83				

Notes to Financial Statements

for the year ended March 31, 2019

The following table shows the carrying amounts and fair values of financial assets and financial liabilities as at March 31, 2018, including their levels in the fair value hierarchy. (₹ in Mn)

Particulars	Carrying amount			Fair value				
	FVTPL	Other financial assets - amortised cost	Other financial liabilities - amortised cost	Total carrying amount	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value								
Investment in equity instruments	0.18	39.05	-	39.23	39.05	-	0.18	39.23
	0.18	39.05	-	39.23	39.05	-	0.18	39.23
Financial assets not measured at fair value								
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	-	-	-	-
	-	-	1,079.40	1,079.40	-	-	-	-
Financial liabilities not measured at fair value								
Borrowing	-	-	-	-	1,431.23	-	-	1,431.23
Trade payables	-	-	-	-	421.59	-	-	421.59
Other financial liabilities	-	-	-	-	521.07	-	-	521.07
	-	-	-	-	2,373.89	-	-	2,373.89

Notes to Financial Statements

for the year ended March 31, 2019

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 1 fair values

The following table shows a reconciliation from the opening balance to the closing balance for Level 1 fair values. (₹ in Mn)

Particulars	FVOCI Equity instruments
Balance at March 31, 2017	39.77
Gain included on OCI	
- Net change in fair value (unrealised)	(0.72)
Balance at March 31, 2018	39.05
Balance at March 31, 2018	39.05
Gain included on OCI	
- Net change in fair value (unrealised)	(15.04)
Balance at March 31, 2019	24.00

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

Notes to Financial Statements

for the year ended March 31, 2019

C. Financial risk management (Contd..)

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.

Trade receivables and loans

As per simplified approach, the Company makes provision of expected credit losses on trade receivables using a provision matrix to mitigate the risk of default payments and makes appropriate provisions at each reporting date whenever is for longer period and involves higher risk.

The movement of Trade Receivables and Expected Credit Loss are as follows :

(₹ in Mn)

Particulars	As at March 31, 2019	As at March 31, 2018
Trade Receivables (Gross)	492.53	499.76
Less: Expected Credit Loss	87.57	126.06
Trade Receivables (Net)	404.96	373.70

Reconciliation of Loss allowance provision (Trade Receivables)

(₹ in Mn)

	Amount
Loss Allowance on March 31,2017	261.78
Change in Loss allowance	(135.72)
Loss Allowance in March 31, 2018	126.06
Change in Loss allowance	(38.49)
Loss Allowance in March 31, 2019	87.57

The movement of Loans and Expected Credit Loss are as follows :

(₹ in Mn)

Particulars	As at March 31, 2019	As at March 31, 2018
Loans	17.37	17.18
Less: Expected Credit Loss	16.37	16.37
Loans (net)	1.00	0.81

Reconciliation of Loss allowance provision (Loans)

(₹ in Mn)

	Amount
Loss Allowance on March 31,2017	16.37
Change in Loss allowance	-
Loss Allowance in March 31, 2018	16.37
Change in Loss allowance	-
Loss Allowance in March 31, 2019	16.37

(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.

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for the year ended March 31, 2019

C. Financial risk management (Contd..)

The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

(₹ in Mn)

March 31, 2019	Contractual cash flows				
	Carrying amount	Total	Less than 1 year	1 to 5 years	More than 5 years
Borrowings	1,164.60	1,164.60	104.61	1,053.69	6.30
Trade payables	650.83	650.83	650.83		
Other financial liabilities	520.40	520.40	450.97	11.10	58.34
	2,335.83	2,335.83	1,206.41	1,064.79	64.64

(₹ in Mn)

March 31, 2018	Contractual cash flows				
	Carrying amount	Total	Less than 1 year	'1 to 5 years	More than 5 years
Borrowings	1,431.23	1,431.23	69.63	1,361.61	
Trade payables	421.59	421.59	421.59		
Other financial liabilities	521.07	521.07	462.33	4.97	53.77
	2,373.89	2,373.89	953.55	1,366.58	53.77

(iii) Floating exchange rate and Interest risk:

Floating exchange rate

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:

(₹ in Mn)

Particulars	As at March 31, 2019	As at March 31, 2018
Fixed rate instruments		
Financial assets		
Financial liabilities		
Vehicle Loans	5.23	7.31
Term Loans	189.97	234.04
Deposits from Public	135.90	136.45
	331.10	377.80
Variable rate instruments		
Financial assets		
Financial liabilities		
Cash Credit	104.61	69.63
Term Loans	728.89	983.81
	833.50	1,053.44
	1,164.61	1,431.24

Notes to Financial Statements

for the year ended March 31, 2019

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:

(₹ in Mn)

Particulars	Effect on Profit before tax		Effect on total equity	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Variable rate instruments - decrease by 100 basis points	8.34	10.53	8.34	10.53
Variable rate instruments - increase by 100 basis points	(8.34)	(10.53)	(8.34)	(10.53)

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.

(₹ in Mn)

Particulars	Effect on Profit before tax		Effect on total equity	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
NSE Nifty 50 - increase by 10% (March 31, 2018: 10%)	2.40	3.90	2.40	3.90
NSE Nifty 50 - decrease by 10% (March 31, 2018: 10%)	(2.40)	(3.90)	(2.40)	(3.90)

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: (₹ in Mn)

Particulars	As at March 31, 2019	As at March 31, 2018
Total Borrowings(Including Current maturities)	1,164.60	1,431.23
Less: Cash and Cash Equivalents	(132.28)	(108.80)
Less: Bank balance other than Cash and Cash Equivalents	(200.52)	(128.27)
Net debt	831.80	1,194.16
Total Equity	7,672.50	7,540.13
Gearing ratio	0.11	0.16

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for the year ended March 31, 2019

42. Segment Information

A Basis for segmentation

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available. All operating segments' operating results are reviewed regularly by the Company's Chief Operating Decision Maker (CODM) to make decisions about resources to be allocated to the segments and assess their performance.

The Company has two reportable segments, as described below, which is the Company's primary business segment. These business units are managed separately because they require different marketing strategies. For these business the Company's (designation of the person who reviews) reviews internal management reports at quarterly basis.

Reportable segments - Operations

Express Distribution - Covers integrated cargo services- Road, Rail and Air transportation

Fuel Stations - Covers fuel stations dealing in petrol, diesel and lubricants, etc.

B Information about reportable segments

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit (before tax), as included in the internal management reports that are reviewed by the Company's CODM. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segment pricing is determined on an arm's length basis.

Summary of Segment Information as at and for the year ended March 31, 2019 and March 31, 2018 is as follows:

(₹ in Mn)

	Year ended March 31, 2019	Year ended March 31, 2018
1. Segment Revenue (Net Sales / Income from each Segment)		
a) Express Distribution	2,240.89	2,049.88
b) Fuel Stations	2,920.88	2,411.18
Total	5,161.77	4,461.06
Less: Inter Segment Revenue	-	-
Net Sales / Income from Operations	5,161.77	4,461.06
2. Segment Results (Profit (+) / Loss (-) before tax and interest from each Segment)		
a) Express Distribution	330.62	769.72
b) Fuel Stations	75.77	66.60
Total	406.39	836.32
Less: Finance Cost	(150.86)	(193.57)
Less: Exceptional Items	-	(236.00)
Profit before tax	255.53	406.75
Less: Tax Expenses	13.00	61.99
Profit after tax as per statement of profit and loss	242.53	344.76

Notes to Financial Statements

for the year ended March 31, 2019

42. Segment Information (Contd..)

(₹ in Mn)

	As at March 31, 2019	As at March 31, 2018
3. Segment Assets		
a) Express Distribution	3,720.30	3,720.90
b) Fuel Stations	296.49	221.40
c) Unallocated	6,049.30	6,044.04
Total Assets	10,066.09	9,986.34
Segment Liabilities		
a) Express Distribution	961.00	749.70
b) Fuel Stations	6.57	6.10
c) Unallocated	1,426.02	1,690.40
Total Liabilities	2,393.59	2,446.20
Capital Employed	7,672.50	7,540.14

(₹ in Mn)

	Year ended March 31, 2019	Year ended March 31, 2018
4. Depreciation and amortisation Expenses		
a) Express Distribution	39.25	48.67
b) Fuel Stations	0.89	0.86
Total	40.14	49.53

(₹ in Mn)

	Year ended March 31, 2019	Year ended March 31, 2018
5. Significant non- cash Expenditure		
a) Express Distribution	7.53	(10.98)
b) Fuel Stations	-	-
Total	7.53	(10.98)

(₹ in Mn)

	Year ended March 31, 2019	Year ended March 31, 2018
6. Capital Expenditure		
a) Express Distribution	2.59	91.24
b) Fuel Stations	0.57	0.22
Total	3.16	91.46

Notes to Financial Statements

for the year ended March 31, 2019

C Geographical information

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

	(₹ in Mn)	
	Year ended March 31, 2019	Year ended March 31, 2018
1. Revenue from External Customers		
a) India	5,161.77	4,461.06
b) International	-	-
Total	5,161.77	4,461.06

	(₹ in Mn)	
	Year ended March 31, 2019	Year ended March 31, 2018
2. Segment Non Current assets *		
a) India	3,158.25	3,169.92
b) International	-	-
Total	3,158.25	3,169.92

* Non current asset are excluding Investments, Non current tax assets, Deferred Tax asset.

43. Earnings per Share

	(₹ in Mn)	
	Year ended March 31, 2019	Year ended March 31, 2018
Profit for the year (₹ Mn)	242.53	344.76
Weighted average number of shares (Nos.)	10,85,06,991	10,26,92,104
Diluted average number of shares (Nos.)	10,86,20,652	10,29,42,341
Basic Earnings Per Share (In ₹)	2.24	3.36
Diluted Earnings Per Share (In ₹)	2.23	3.35
Nominal value of shares outstanding (In ₹)	2.00	2.00

Notes to Financial Statements

for the year ended March 31, 2019

44. Related party disclosure

A. Names of related parties and related party relationship for the year ended March 31, 2019

i) List of Key Managerial Personnel (KMP)	<ol style="list-style-type: none"> 1. Mr Mahendra Agarwal 2. Mr Manoj Gupta 3. Mr Amit Pathak 4. Mr K L Chugh 5. Mr N Srinivasan 6. Dr P S Reddy 7. Mr Sunil Kumar Alagh 8. Mr P N Shukla 9. Mr Yasuhiro Kaneda 10. Ms Sheela Bhide 	<ul style="list-style-type: none"> – Founder & CEO – Chief Financial Officer (Resigned w.e.f July 31, 2018) – Company Secretary, Chief Investor Relations & Compliance Officer (Resigned w.e.f December 31,2018) – Chairman & Director – Director – Director – Director – Director – Director – Director
ii) Entities in which KMP is having Significant influence	<ol style="list-style-type: none"> 1. TCI Finance Ltd. 2. TCI Hi-ways Pvt. Ltd. 3. Amrit Jal Ventures Pvt. 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 Pvt. Limited 	
iii) Subsidiaries & Step down Subsidiaries	<ol style="list-style-type: none"> 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 Pvt. Ltd. 9. Gati Projects Pvt. Ltd. 	
iv) Associate	Gati Ship Ltd	

Notes to Financial Statements

for the year ended March 31, 2019

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 KMP is having Significant influence		Subsidiaries & step down Subsidiaries		Total	
		Year Ended March 31, 2019	Year Ended March 31, 2018	Year Ended March 31, 2019	Year Ended March 31, 2018	Year Ended March 31, 2019	Year Ended March 31, 2018	Year Ended March 31, 2019	Year Ended March 31, 2018
a)	EXPENDITURE								
	Freight and Other Charges								
	Gati Asia Pacific Pte Ltd	-	-	-	-	-	0.14	-	0.14
	Gati Cargo Express (Shangai) Co Ltd.	-	-	-	-	8.22	10.54	8.22	10.54
	Gati Hongkong Ltd	-	-	-	-	-	0.78	-	0.78
	Zen Cargo Movers Pvt. Ltd	-	-	-	-	1.35	1.63	1.35	1.63
	Gati Kintetsu Express Pvt. Ltd	-	-	-	-	558.03	505.54	558.03	505.54
	Remuneration								
	Mr.Amit Pathak	2.65	3.33	-	-	-	-	2.65	3.33
	Mr.Manoj Kumar Gupta	4.72	12.45	-	-	-	-	4.72	12.45
	Directors Sitting Fee								
	Mr K L Chugh	0.48	0.27	-	-	-	-	0.48	0.27
	Mr N Srinivasan	0.59	0.37	-	-	-	-	0.59	0.37
	Mr P N Shukla	0.72	0.39	-	-	-	-	0.72	0.39
	Dr P S Reddy	0.40	0.19	-	-	-	-	0.40	0.19
	Ms Sheela Bhide	0.32	0.27	-	-	-	-	0.32	0.27
	Mr Sunil Kumar Alagh	0.32	0.17	-	-	-	-	0.32	0.17
	Directors Commission								
	Mr K L Chugh	0.50	0.50	-	-	-	-	0.50	0.50
	Mr N Srinivasan	0.35	0.35	-	-	-	-	0.35	0.35
	Mr P N Shukla	0.25	0.25	-	-	-	-	0.25	0.25
	Dr P S Reddy	0.25	0.25	-	-	-	-	0.25	0.25
	Ms Sheela Bhide	0.25	0.25	-	-	-	-	0.25	0.25
	Mr Sunil Kumar Alagh	0.25	0.25	-	-	-	-	0.25	0.25
	Mr Yasuhiro Kaneda	0.25	0.25	-	-	-	-	0.25	0.25
	Management Fee								
	Gati Kintetsu Express Pvt. Ltd	-	-	-	-	40.88	-	40.88	-
	Manpower Expenses								
	Gati Academy	-	-	35.46	60.68	-	-	35.46	60.68
b)	INCOME								
	Freight and Other Charges								
	Gati Cargo Express (Shangai) Co Ltd.	-	-	-	-	104.38	104.95	104.38	104.95
	Gati Hongkong Ltd	-	-	-	-	-	0.01	-	0.01
	Gati Import Export Trading Limited	-	-	-	-	3.52	0.10	3.52	0.10
	Gati Kintetsu Express Pvt. Ltd	-	-	-	-	116.13	-	116.13	-

Notes to Financial Statements

for the year ended March 31, 2019

44. Related party disclosure (Contd..)

B. Summary of the transactions with related parties : (Contd..)

(₹ in Mn)

SL. No	Nature of Transaction	Key Managerial Personnel & Relatives		Entities in which KMP is having Significant influence		Subsidiaries & step down Subsidiaries		Total	
		Year Ended March 31, 2019	Year Ended March 31, 2018	Year Ended March 31, 2019	Year Ended March 31, 2018	Year Ended March 31, 2019	Year Ended March 31, 2018	Year Ended March 31, 2019	Year Ended March 31, 2018
	Interest								
	Gati Asia Pacific Pte Ltd	-	-	-	-	-	0.83	-	0.83
	Amrit Jal Ventures Pvt. Ltd	-	-	-	50.13	-	-	-	50.13
	Gati Infrastructure Sada Mangder Pvt. Ltd	-	-	-	14.40	-	-	-	14.40
	Rent								
	Gati Academy	-	-	0.53	0.53	-	-	0.53	0.53
	TCI Finance Limited	-	-	0.24	0.24	-	-	0.24	0.24
	TCI Hi-Ways Pvt Ltd	-	-	0.07	0.06	-	-	0.07	0.06
	Gati Kintetsu Express Pvt. Ltd	-	-	-	-	49.16	51.30	49.16	51.30
	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 Pvt. Ltd	-	-	-	-	14.37	17.30	14.37	17.30
	Gati Kausar India Ltd.	-	-	-	-	0.47	0.65	0.47	0.65
	Gati Import Export Trading Limited	-	-	-	-	0.98	0.96	0.98	0.96
	Dividend Income								
	Gati Kintetsu Express Pvt. Ltd	-	-	-	-	86.71	103.60	86.71	103.60
	Fuel Sales income								
	Gati Kintetsu Express Pvt. Ltd	-	-	-	-	0.19	0.48	0.19	0.48
	ESOP Expense Reimbursement								
	Gati Kintetsu Express Pvt. Ltd	-	-	-	-	3.23	5.36	3.23	5.36
	Other Expenses Reimbursement								
	Gati Kintetsu Express Pvt. Ltd	-	-	-	-	-	1.29	-	1.29

C. Summary of the transactions with related parties :

(₹ in Mn)

SL. No	Nature of Transaction	Associate		Entities in which KMP is having Significant influence		Subsidiaries & Step down Subsidiaries		Total	
		As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
	a) Trade Receivable								
	Gati Kintetsu Express Pvt. Ltd	-	-	-	-	-	0.02	-	0.02
	Gati Cargo Express (Shanghai) Co Ltd.	-	-	-	-	20.75	26.13	20.75	26.13
	Gati Import Export Trading Limited	-	-	-	-	1.67	0.02	1.67	0.02
	b) Other Receivables								
	Amrit Jal Ventures Pvt. Ltd	-	-	226.89	226.89	-	-	226.89	226.89
	Gati Infrastructure Sada Mangder Pvt. Ltd	-	-	53.35	53.35	-	-	53.35	53.35
	Provision for Interest Receivable -Amrit Jal Ventures Pvt. Ltd	-	-	(226.89)	(226.89)	-	-	(226.89)	(226.89)
	Provision for Interest Receivable- Gati Infrastructure Sada Mangder Pvt Ltd	-	-	(53.35)	(53.35)	-	-	(53.35)	(53.35)

Notes to Financial Statements

for the year ended March 31, 2019

44. Related party disclosure (Contd..)

C. Summary of the transactions with related parties :

(₹ in Mn)

SL. No	Nature of Transaction	Associate		Entities in which KMP is having Significant influence		Subsidiaries & Step down Subsidiaries		Total	
		As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
	TCI Hi-Ways Pvt Ltd	-	-	-	0.06	-	-	-	0.06
	Gati Academy	-	-	-	0.37	-	-	-	0.37
	TCI Finance Ltd	-	-	0.69	0.48	-	-	0.69	0.48
	Gati Kintetsu Express Pvt. Ltd	-	-	-	-	1.18	6.94	1.18	6.94
	Gati Import Export Trading Limited	-	-	-	-	0.92	0.98	0.92	0.98
	Gati Kausar India Ltd.	-	-	-	-	1.37	0.86	1.37	0.86
	Zen Cargo Movers Pvt. Ltd	-	-	-	-	1.38	-	1.38	-
c)	Loans & Advances - Given								
	Jaldi Traders & Commerce House Pvt. Ltd	-	-	57.04	66.64	-	-	57.04	66.64
	TCI Hi-Ways Pvt Ltd	-	-	127.90	134.90	-	-	127.90	134.90
	Gati Academy	-	-	-	-	-	-	-	-
	Zen Cargo Movers Pvt. Ltd	-	-	-	-	-	0.80	-	0.80
	Gati Logistic Parks Pvt. Limited	-	-	-	-	198.42	178.76	198.42	178.76
	Gati Projects Pvt. Limited	-	-	-	-	0.12	0.11	0.12	0.11
d)	Trade payables								
	Gati Cargo Express (Shangai) Co Ltd.	-	-	-	-	2.41	4.41	2.41	4.41
	Zen Cargo Movers Pvt. Ltd	-	-	-	-	0.37	0.46	0.37	0.46
	Gati Kintetsu Express Pvt. Ltd	-	-	-	-	514.00	286.47	514.00	286.47
e)	Other Payables								
	Gati Ship Limited	-	25.70	-	-	-	-	-	25.70
	Gati Kintetsu Express Pvt. Ltd	-	-	-	-	18.49	-	18.49	-
	Gati Academy	-	-	3.01	-	-	-	3.01	-
f)	Deposit and Advance (Taken)								
	Gati Kintetsu Express Pvt. Ltd	-	-	-	-	71.93	65.35	71.93	65.35
	P D Agarwal Foundation	-	-	25.00	25.00	-	-	25.00	25.00
	Gati Academy	-	-	2.10	-	-	-	2.10	-
g)	Corporate Guarantees given								
	Gati Kintetsu Express Pvt. Ltd	-	-	-	-	381.27	517.50	381.27	517.50
	Gati Infrastructure Pvt. Limited	-	-	236.00	236.00	-	-	236.00	236.00
	Gati Infrastructure Pvt. Limited (Provision for Invocation of Corporate guarantee)	-	-	(236.00)	(236.00)	-	-	(236.00)	(236.00)
	Gati Kausar India Ltd.	-	-	-	-	36.17	24.38	36.17	24.38

45. Advance receivable includes ₹ 41 mn due from Air India Limited. The matter was referred to the arbitral tribunal which passed an award dated September 17, 2013, directing Air India Limited to pay an amount of ₹ 266 Mn to the company along with interest @18 % per annum on the awarded amount. Air India filed an appeal before the Hon'ble High court at Delhi for setting aside of award, which directed Air India to deposit ₹ 225 Mn to the company. The matter being pending before the Division Bench of the said Hon'ble High Court at New Delhi, no adjustment is considered necessary by the management and the dues from air India limited of ₹ 41 Mn included in advances receivable is considered good for recovery by the management.

46. During the period, Income Tax Appellate Tribunal (ITAT) has dismissed an appeal filed by the company against order of Principal Commissioner of Income Tax passed u/s. 263 for disallowance of capital loss on sale of investments u/s 115JB of the Income Tax Act, 1961 relating to financial year 2012-13. Against tax demand of ₹ 211.1Mn related to Financial year 2012-13 has been confirmed by Income Tax Appellate Tribunal (ITAT) and the matter is pending before Hon'ble High Court, Telangana for admission. According to legal opinion the demand is not sustainable and hence no provision for the demand is presently considered necessary. The same has been disclosed as a contingent Liability under note 35(l).

Notes to Financial Statements

for the year ended March 31, 2019

47. The Company had given operational advances to few parties aggregating ₹ 201.50 Mn in earlier years which is long over due. The Company has initiated recovery of such overdue advances against which ₹ 16.60 Mn has been recovered during the year. The management is hopeful of recovering the balance outstanding amount of ₹ 184.90 Mn over a period of time and in its opinion, provision is not required in the books of accounts.
48. The Company has recovered ₹ 29.10 Mn from an associate which has been adjusted against special reserve in an earlier year. This amount was not credited back to special reserve account as the Scheme of Arrangement did not contemplate any accretion to special reserve account.
49. Disclosure pursuant to Securities Exchange Board of India (Listing Obligation and Disclosure Requirement and Regulation 2015) And Section 186 of The Companies Act, 2013

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

(₹ in Mn)

Name of the Company	Year ended March 31, 2019	Year ended March 31, 2018
Gati Logistic Parks Pvt. Limited	198.42	178.76

Note:

Company had given interest free loan to a wholly owned subsidiary amounting to ₹ 200.1 Mn towards financing a project in an earlier year, which the operation are yet to commence. The company is now in possession of the title deeds to the landed property of the subsidiary which is adequate security.

50. The position of Chief financial officer i.e CFO fell vacant from July 31, 2018 to May 27, 2019 and was not filled up during the year. The new CFO was appointed by the company w.e.f May 28, 2019. The financial statements have not been signed by the company secretary which position fell vacant on December 31, 2018 and as successor so far has not been appointed.

Notes to Financial Statements

for the year ended March 31, 2019

51. EMPLOYEE SHARE-BASED PAYMENT:

Details of grants under various series are summarised below

S I . Description No.	Year ended March 31, 2019			Year ended March 31, 2018		
	ESOS-2001	ESOS-2006	ESOS-2007	ESOS-2001	ESOS-2006	ESOS-2007
1	17.10.2001	11.10.2006	13.10.2007	17.10.2001	11.10.2006	13.10.2007
2	32,17,500	17,82,500	17,55,720	32,17,500	17,82,500	17,55,720
3	Commences at the expiry of two years from the date of grant					
4	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	4 years					
6	Primary					
7	Nil					
8	The company has calculated the employee compensation cost using the fair value of the stock options					

S I . Description No.	Year ended March 31, 2019			Year ended March 31, 2018		
	ESOS-2001	ESOS-2006	ESOS-2007	ESOS-2001	ESOS-2006	ESOS-2007
1	Nil	5,90,988	9,59,050	Nil	5,49,893	9,30,350
2	Nil	Nil	Nil	Nil	Nil	Nil
3	Nil	64,000	6,150	Nil	41,095	28,700
4	Nil	1,09,500	1,84,992	Nil	Nil	2,90,516
5	Nil	87,000	1,78,842	Nil	Nil	2,90,516
6	Nil	87,000	1,08,342	Nil	Nil	2,90,516
7	Nil	75,80,310	49,40,395	Nil	Nil	1,73,17,134
8	NA	NA	NA	NA	NA	NA
9	Nil	6,54,988	9,65,200	Nil	5,90,988	9,59,050
10	Nil	2,42,905	16,095	Nil	3,93,905	2,01,087

Notes to Financial Statements

for the year ended March 31, 2019

51. Employee share-based payment: (Contd..)

Details of grants under various series are summarised below

Stock Options granted on	Weighted average exercise price (in ₹)	Weighted average value (in ₹)	Expected Volatility (%)	Expected Dividend (%)	Life of Options granted (Years)	Risk free interest rate (%)
06.02.2014	45.6	695	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
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 (ii) exercise price Refer point no.11 (iii) Risk free interest rate 8% (iv) Expected Life of Options 3 years (v) Expected volatility 26.04.2016 (-6.92%), 04.11.2016 (0.72%) (vi) Dividend yield 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 Financial Statements

for the year ended March 31, 2019

52. Previous GAAP figures have been reclassified/ regrouped wherever necessary.

53. The financial statement are approved for issue by the Audit Committee and by the Board of Directors at its meeting held on May 28, 2019.

As per our report of even date

For Singhi & Co.

Chartered Accountants
ICAI Firm Registration No: 302049E

Anurag Singhi

Partner
Membership No: 066274

Place: Kolkata
Date: May 28, 2019

For and on behalf of the Board of Directors

K L Chugh

Chairman
DIN: 00140124

Mahendra Agarwal

Founder & CEO
DIN: 00179779

N Srinivasan

Director
DIN: 00004195

Peter H Jayakumar

Chief Financial Officer

Place: Hyderabad
Date: May 28, 2019

Independent Auditor's Report

To The Members of **Gati Limited**

Report on the Audit of the Consolidated Financial Statements

Qualified Opinion

We have audited the consolidated financial statements of Gati Limited (hereinafter referred to as "the Holding Company") and its subsidiaries and a step down subsidiaries (the Holding Company and its subsidiaries including step down subsidiaries together referred to as "the Group") comprising of the consolidated Balance sheet as at March 31, 2019, the consolidated Statement of Profit and Loss including other comprehensive income, the Consolidated Statement of Changes in Equity, the consolidated Cash Flow Statement for the year then ended and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries and step down subsidiaries, except for the indeterminate effect of the matter described in Basis for Qualified Opinion paragraph of our report, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standard) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2019, their consolidated profit including other comprehensive income, their consolidated statement of changes in equity and the consolidated cash flows for the year ended on that date.

Basis for Qualified Opinion

We draw your attention to:

- i) Note 54 to the consolidated financial statements which states that during the financial year the Group has received Income tax demand for ₹ 211.10 million relating to financial year 2012-13 due to disallowance of capital loss for MAT computation under section 115JB of the Income tax Act, 1961. The Holding Company has filed an appeal before the Hon'ble High Court, Telangana as the issue involves interpretation of law. Based on the legal advice received no provision for the said tax

demand has been made in the consolidated financial statements of the Group during the year. In view of the uncertainty, we are unable to determine the impact on the consolidated financial statements for the said demand.

- ii) Note 55 to the consolidated financial Statements which states that the Group has given operational advances to few parties aggregating ₹ 228.80 millions which is long overdue and the full recoverability of which is doubtful. As set out in the aforesaid note, the management is making necessary efforts to ensure collection of dues from those parties. No impairment allowance for uncertainty in collectability has been recognized against above advances. Based on the information received from the management of the Group regarding the assumptions used in assessing the recoverability of this amount, we were unable to determine the impact on the consolidated financial statements, of a potential adjustment for impairment that might have been necessary in order to present the balance at its estimated recoverable value.
- iii) Note 57 to the consolidated financial statements which states that, one of the subsidiaries' has provided for its obligation towards commitment fee based on the management's assessment of the likely obligation in view of the ongoing negotiation with the investor relating to the terms of the amended Bond Subscription Agreement, instead of measuring the obligation at ₹ 83.77 million as per the terms of the aforementioned agreement. However, in the absence of sufficient and appropriate audit evidence in support of management's assessment and pending final outcome of the negotiation referred above, we are unable to comment upon the adequacy of the provision and its consequential impact on the consolidated financial statements.

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us and audit evidence obtained by the other auditors in terms of their reports referred

to in the other matter section below, is sufficient and appropriate to provide a basis for our qualified opinion on the consolidated financial statements.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

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

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of audit or otherwise appears to be materially misstated.

If, based on the work we have performed and the reports of other auditors furnished to us, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Emphasis of Matter

We draw your attention to:

- a. Note 56 to the consolidated financial statements which states that, based on the Scheme of arrangement by the Hon'ble Andhra Pradesh High Court by its Order dated March 19, 2013 the Group 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 Directors may deem fit. The Group has adjusted an amount of ₹ 29.10 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 March 31, 2019.
- b. Note 58 to the consolidated financial statement regarding managerial remuneration paid to the Executive chairman of one of the subsidiary for the year ended March 31, 2019 which exceeded the limit

prescribed under section 197 read with Schedule V of the Companies Act, 2013 by ₹ 10.60 millions and. Pending necessary approvals for the excess remuneration from members of the said subsidiary, no adjustment to the consolidated financial statement has been made.

- c. Note 59 to the consolidated financial statements which states that, in one of the subsidiary, Gati Kausar India Limited has incurred a net loss of ₹ 170.97 million during the year ended March 31, 2019, and as of that date, the Company's accumulated losses amounts to ₹ 782.75 million, which has resulted in complete erosion of the net worth of the said subsidiary and the said subsidiary's current liabilities exceeded its current assets by ₹ 338.71 million. These conditions indicate existence of material uncertainty that may cast significant doubt on the said subsidiary's ability to continue as a going concern. As stated in the said note of the consolidated financial statement, going concern basis of accounting used in preparation of the said subsidiary is dependent upon the successful implementation of the resolution plan envisaged by the key shareholders and management of the said subsidiary.

Key Audit Matters

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

In addition to the matter described in the Basis for Qualified Opinion Paragraph above, we have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the management, including those procedures performed to address the matters below, provide the basis for our qualified audit opinion on the consolidated financial statements.

(₹ in Mn)

Sr. No.	Key Audit Matter	How our audit addressed the key audit matters
1	<p>Impairment of Goodwill (See Note 4 to the Consolidated Financial Statements)</p> <p>The Group holds goodwill of ₹ 4257.98 million on the statements of financial position.</p> <p>The determination of the recoverable amount of goodwill is a key judgment area as small changes in assumptions made, notably in respect of the future performance of the business and the discount rates applied to future cash flows projections can result in material different outcomes.</p>	<p>Our audit with respect to impairment testing of goodwill included the following:</p> <ul style="list-style-type: none"> • Engaging internal fair valuation experts to challenge management's underlying assumptions and appropriateness of the valuation model used. • Comparing the Group's assumptions with comparable benchmarks in relation to key inputs such as long-term growth rates and discount rates. • Assessing the appropriateness of the forecasted cash flows within the budgeted period based on their understanding of the business and sector experience.
2	<p>Recoverability of Trade Receivable (See Note 14 to the Consolidated Financial Statements)</p> <p>The gross balance of trade receivables as at March 31, 2019 amounted to ₹ 2630.82 million.</p> <p>Due to the inherent subjectivity that is involved in making judgments in relation to credit risk exposures to determine the recoverability of trade receivables, recoverability of trade receivables is considered a key audit matter.</p>	<p>Our audit with respect to determining recovery of trade receivables included the following:</p> <ul style="list-style-type: none"> • Evaluating the Group's processes and controls relating to the monitoring of trade receivables and review of credit risks of customers. • Examination of management's assessment of the credit review procedures of trade receivables, obtaining trade receivable confirmations, and mapping receipts from the trade receivables after the year end on test basis. • Evaluating management's assumptions used to determine the expected credit loss on trade receivables impairment amount, through detailed analyses of ageing of receivables to historical patterns of receipts, assessment of material overdue individual trade receivables and risks specific to the trade receivables.
3	<p>Evaluation of uncertain tax positions (See Note 41 (I) to the Consolidated Financial Statements)</p> <p>The Group has material uncertain tax positions including matters under dispute which could have a significant impact on the Consolidated Financial Statement, if the potential expenses were to materialize.</p> <p>The outcome of such matters is uncertain and the position taken by management involves significant judgment.</p>	<p>Our audit with respect to evaluation of uncertain tax positions included the following:</p> <ul style="list-style-type: none"> • Assessing the appropriateness of the design and implementation of the Group's controls over the assessment of uncertain tax position including matters under dispute and completeness of disclosures. Supporting documentation are tested for the positions taken by the management, meetings are conducted with in-house legal team, to confirm the operating effectiveness of these controls. • Involving our internal experts to review the management's underlying assumptions in estimating the tax provisions and the possible outcome of the disputes. Our internal experts also considered legal precedence and other rulings in evaluating the management's position on these uncertain tax positions including matters under dispute. • Additionally, we considered the effect of new information in respect of uncertain tax positions as at April 1, 2018 to evaluate whether any change was required in the management's position on these uncertainties as at March 31, 2019.

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including Indian Accounting Standards (Ind AS). The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group is also responsible for overseeing the Group's financial reporting process.

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

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

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company and its subsidiary companies which are companies incorporated in India has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors.

For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the financial year ended March 31, 2019 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

i) We did not audit the financial statements and financial information of six subsidiaries whose financial statements and financial information reflect total assets of ₹ 1270.85 million and total revenue of ₹ 2130.90 million and net cash outflow of ₹ 6.27 million. These financial statements and other financial information have been audited by other auditors, whose reports have been furnished to us by the management.

Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the report(s) of such other auditors.

ii) Certain of these subsidiaries are located outside India whose financial statements have been prepared in accordance with accounting principles generally accepted in their respective countries and which has been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Company's management has converted the financial statements of such subsidiaries from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries is based on the report of other auditors and the conversion adjustments prepared by the management of the Company and audited by us.

Our opinion on the consolidated financial statement is not qualified in respect of the above matters with regard to our reliance on the work done and the reports of the other auditors and the financial statements and information certified by the management.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;
- (b) In our opinion, except for matter described in the Basis for Qualified Opinion paragraph above, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;
- (d) Except for the indeterminate effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under section 133 of the Act, read with the relevant rules thereon.

- (e) The outcome of the matter described in the Basis for Qualified Opinion and Emphasis of Matter paragraph above in our opinion, may have an adverse effect on the functioning of the group.
- (f) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2019 taken on record by the Board of Directors of the Holding Company and its subsidiary companies incorporated in India, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- (g) The reservation relating to maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above.
- (h) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated financial statements of the Holding Company and its subsidiary/step down subsidiary companies, refer to our separate Report in Annexure "A" to this report;
- (i) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:
- (j) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, as noted in the 'Other matter' paragraph:
- i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note 41 (I), 53 and 54 to the consolidated financial statements;
 - ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and subsidiary companies incorporated in India; and
 - iv. The reporting on disclosure relating to the Specified Bank Note is not applicable to the Group for the year ended March 31, 2019.

According to the information and explanations given to us, in case of one of the subsidiary, the Group has paid/provided for managerial remuneration to Executive chairman for the year which is in excess of the limit prescribed under Schedule V of the Act by ₹ 10.60 millions for the year 2018 -2019, which is subject to the approval of shareholders in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.; and

Place: Kolkata
Date:

For SINGHI & CO.
Chartered Accountants
Firm Registration No.302049E

Anurag Singhi
Partner
Membership No. 066274

Annexure - A to the Independent Auditor's Report

(Referred to in paragraph (h) with the heading 'Report on Other Legal and Regulatory Requirements' section of our report of even date in respect to statutory audit of Gati Limited for the year ended March 31, 2019)

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

In conjunction with our audit of the consolidated financial statements of the Group as of and for the year ended March 31, 2019, we have audited the internal financial controls over financial reporting of Gati Limited ('the Holding Company') and its subsidiary companies which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the company, its subsidiary companies which are companies incorporated in India based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note') issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical

requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary companies, which are companies incorporated in India, in terms of their reports referred to in 'Other Matters' paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial control system over financial reporting of the Holding Company and its subsidiaries, which are companies incorporated in India.

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us and based on the consideration of other auditors referred to in the Other Matter paragraph below, the Holding Company and its subsidiary companies, which are incorporated in India, have, in all material respects, an adequate internal financial controls over financial reporting and such internal financial control over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the respective companies

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. However financial control over contract revenue mapping in information technology system need to be further strengthened.

Other Matters

Our report 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 five subsidiaries, which are companies incorporated in India, is based solely 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 Registration No.302049E

Place: Kolkata
Date: May 28, 2019

Anurag Singhi
Partner
Membership No. 066274

Consolidated Balance Sheet

as at March 31, 2019

(₹ in Mn)

	Notes	As at March 31, 2019	As at March 31, 2018
ASSETS			
NON CURRENT ASSETS			
Property, Plant and Equipment	3	5,673.91	5,643.78
Capital Work in Progress	3	51.14	21.34
Goodwill	4	4,257.98	4,257.98
Other Intangible Assets	5	30.13	33.76
Intangible Assets under Development	6	-	4.42
Investment in Associates	7	-	-
Financial Assets			
Investments	8	24.32	41.73
Loans	9	116.48	144.99
Deferred tax Assets (Net)	10	42.46	26.12
Non-Current tax Assets (Net)	11	706.55	528.96
Other non-current assets	12	220.86	156.58
		11,123.84	10,859.66
CURRENT ASSETS			
Inventories	13	119.86	90.20
Financial assets			
Trade receivables	14	2,389.31	2,431.67
Cash and cash equivalents	15A	173.75	191.11
Bank Balances other than above	15B	303.53	226.52
Other Financial Assets	16	451.95	437.90
Current Tax Assets	17	1.43	-
Other current assets	18	316.67	326.81
Assets held for sale	19	16.01	-
		3,772.51	3,704.21
		14,896.35	14,563.87
TOTAL ASSETS			
EQUITY AND LIABILITIES			
EQUITY			
Equity Share Capital	20	217.08	216.69
Other Equity	21	7,027.18	7,068.08
Equity attributable to owners of the company		7,244.26	7,284.77
Non controlling interest		1,220.46	1,140.24
TOTAL EQUITY		8,464.72	8,425.01
LIABILITIES			
NON-CURRENT LIABILITIES			
Financial liabilities			
Borrowings	22	1,686.85	2,160.43
Other financial liabilities	23	69.44	58.74
Provisions	24	80.96	69.17
		1,837.25	2,288.34
CURRENT LIABILITIES			
Financial liabilities			
Borrowings	25	1,137.33	1,050.28
Trade payables	26	-	-
(a) Total outstanding dues of Micro and Small Enterprises		-	-
(b) Total outstanding dues of creditors other than Micro and Small Enterprises		1,490.46	1,239.91
Other financial liabilities	27	1,594.10	1,217.98
Other current liabilities	28	349.41	329.62
Current Tax Liabilities	29	0.41	0.18
Provisions	30	22.67	12.55
		4,594.38	3,850.52
		6,431.63	6,138.86
TOTAL LIABILITIES		14,896.35	14,563.87
TOTAL EQUITY AND LIABILITIES		14,896.35	14,563.87

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

**As per our report of even date
For Singhi & Co.**

 Chartered Accountants
Firm Registration No: 302049E

Anurag Singhi
Partner
Membership no: 066274

 Place: Kolkata
Date: May 28, 2019

For and on behalf of the Board of Directors
K L Chugh
Chairman
DIN: 00140124

Mahendra Agarwal
Founder & CEO
DIN: 00179779

N Srinivasan
Director
DIN: 00004195

Peter H Jayakumar
Chief Financial Officer

 Place: Hyderabad
Date: May 28, 2019

Consolidated Statement of Profit and Loss

for the year ended March 31, 2019

(₹ in Mn)

	Notes	Year ended March 31, 2019	Year ended March 31, 2018
I INCOME			
Revenue from Operations	31	18,631.94	17,364.74
Other Income	32	159.56	778.50
TOTAL INCOME (I)		18,791.50	18,143.24
II EXPENSES			
Operating Expenses	33	10,447.88	10,072.43
Purchase of Stock-In-Trade		3,845.15	3,072.09
Changes in Inventories of Stock-in-Trade	34	(31.49)	(23.32)
Employee Benefit Expense	35	1,863.62	1,912.13
Finance Costs	36	452.72	469.51
Depreciation and Amortization Expense	37	295.15	299.96
Other Expenses	38	1,563.83	1,560.44
TOTAL EXPENSES (II)		18,436.86	17,363.24
III PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX (I-II)		354.64	780.00
IV Exceptional Items	39	-	(236.00)
V PROFIT BEFORE TAX (III-IV)		354.64	544.00
VI TAX EXPENSES	40		
Current Tax		111.47	97.10
Deferred Tax		12.84	55.83
TOTAL TAX EXPENSES		124.31	152.93
VII PROFIT FOR THE YEAR (V-VI)		230.33	391.07
VIII OTHER COMPREHENSIVE INCOME (OCI)			
A) Items not to be reclassified to profit or loss in subsequent periods:			
Remeasurement gains/ (losses) on defined benefit plans		(13.88)	5.28
Equity investments through Other Comprehensive income		(17.22)	(1.22)
Income tax effect on above items		3.65	(0.34)
B) Items will be reclassified to profit or loss subsequent periods:			
Exchange difference arising on translation of foreign operations		(3.96)	(102.57)
Income tax effect on above items		-	-
OTHER COMPREHENSIVE INCOME FOR THE YEAR (NET OF TAX)		(31.41)	(98.85)
IX TOTAL COMPREHENSIVE INCOME FOR THE YEAR (VII+VIII)		198.92	292.22
X Profit for the year		230.33	391.07
Attributable to:			
Owners of the company		183.49	342.32
Non-Controlling Interests		46.84	48.75
Total comprehensive income for the year		198.92	292.22
Attributable to:			
Owners of the company		154.52	243.57
Non-Controlling Interests		44.40	48.66
EARNINGS PER EQUITY SHARE	50		
(NOMINAL VALUE PER SHARE: ₹ 2/- (PREVIOUS YEAR ₹ 2/-))			
Basic (In ₹)		1.69	3.33
Diluted (In ₹)		1.69	3.33

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

As per our report of even date

For Singhi & Co.

Chartered Accountants

Firm Registration No: 302049E

Anurag Singhi

Partner

Membership no: 066274

Place: Kolkata

Date: May 28, 2019

For and on behalf of the Board of Directors

K L Chugh

Chairman
DIN: 00140124

Peter H Jayakumar

Chief Financial Officer

Mahendra Agarwal

Founder & CEO
DIN: 00179779

N Srinivasan

Director
DIN: 00004195

Place: Hyderabad

Date: May 28, 2019

Consolidated Cash Flow Statement

for the year ended March 31, 2019

	(₹ in Mn)	
	Year ended March 31, 2019	Year ended March 31, 2018
A: Cash Flow From Operating Activities		
Net Profit Before Taxes as per Statement of Profit and Loss	354.64	544.00
Adjustments For :		
Depreciation and Amortisation Expense	295.15	299.96
Net Gain on disposal of Property, Plant & Equipment	(3.94)	(57.88)
Impairment allowance for Investment	0.05	0.49
Expenses on Employee Stock Option scheme	0.07	(11.92)
Finance Costs	452.72	469.51
Interest Income	(58.67)	(18.99)
Allowance for Doubtful Receivables	16.64	(1.11)
Bad debts and irrevocable balances written off (Net of Provision)	1.25	54.19
Provision towards capital expenditure	18.06	10.97
Exceptional Items	-	236.00
Liability no longer required written back	(50.00)	(639.81)
Operating Profit Before changes in operating assets and liabilities	1,025.97	861.38
Adjustment for changes in operating assets and liabilities:		
(Increase)/Decrease In Trade Receivables	(54.23)	(382.20)
(Increase)/Decrease In Inventories	(29.66)	(24.15)
Decrease / (Increase) in Other current Assets	10.14	(5.06)
Decrease / (Increase) in Other Current Financial Assets	(14.05)	(27.18)
Increase / (Decrease) In Trade Payables	250.55	447.39
(Increase) / Decrease in Loans and Non Current Assets	(39.92)	(1.76)
(Increase) / Decrease in Non Current Liabilities	10.70	(3.96)
Increase / (Decrease) in Current Financial Liabilities	27.53	183.49
Increase / (Decrease) in Current Liabilities	20.02	173.15
Increase / (Decrease) in Provisions	21.90	21.85
Cash generated from Operating Activities	1,228.95	1,242.95
Direct Taxes paid (net of refunds)	(237.57)	2.27
Net Cash generated/(used) from Operating Activities	991.38	1,245.22
B: Cash Flow From Investing Activities		
Sale proceeds from Property, Plant and Equipment	97.89	68.98
Purchase of Property, Plant and equipment including Capital work in progress	(459.04)	(314.19)
Sale proceeds of Investments	0.13	0.73
Interest Received	17.85	19.28
Investment in/Proceeds from bank Fixed Deposit (Net)	(77.05)	72.05
Net Cash generated/(used) in Investing Activities	(420.22)	(153.16)

Consolidated Cash Flow Statement

for the year ended March 31, 2019

(₹ in Mn)

	Year ended March 31, 2019	Year ended March 31, 2018
C: Cash Flow From Financing Activities		
Proceeds from issue of equity shares	11.32	1.56
Repayment of Foreign Currency Convertible Bonds	-	(643.70)
Proceeds from Public deposits	36.69	93.21
Repayment of Public desposits	(38.18)	(177.98)
Proceeds of Long term borrowings	427.62	1,095.00
Repayment of Long term borrowings	(501.12)	(663.61)
Movement in Short term borrowings (Net)	87.05	(313.97)
Dividend Paid including Tax	(160.34)	(153.22)
Finance Costs	(451.56)	(469.51)
Net Cash generated/(used) from Financing Activities	(588.52)	(1,232.21)
Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)	(17.36)	(140.15)
Cash and Cash Equivalents as at the beginning of the year	191.11	331.26
Cash and Cash Equivalents as at the end of the year	173.75	191.11

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.

2. Components of cash and cash equivalents

(₹ in Mn)

	Year ended March 31, 2019	Year ended March 31, 2018
Balance with Banks:		
On Current Accounts	10.75	14.40
Deposits with original maturity of less than three months	158.60	172.49
Cash on hand	4.40	4.22
Cash and Cash Equivalents (Refer Note 15A)	173.75	191.11

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

**As per our report of even date
For Singhi & Co.**

Chartered Accountants
Firm Registration No: 302049E

For and on behalf of the Board of Directors

K L Chugh
Chairman
DIN: 00140124

Mahendra Agarwal
Founder & CEO
DIN: 00179779

N Srinivasan
Director
DIN: 00004195

Anurag Singhi
Partner
Membership no: 066274

Peter H Jayakumar
Chief Financial Officer

Place: Kolkata
Date: May 28, 2019

Place: Hyderabad
Date: May 28, 2019

Consolidated Statement of Changes in Equity

for the year ended March 31, 2019

A) Equity Share Capital

	No. of Shares	Amount
Balance as at March 31, 2017	8,81,82,054	176.36
Changes in Equity Share Capital for the year ended March 31, 2018	2,01,64,741	40.33
Balance as at March 31, 2018	10,83,46,795	216.69
Changes in Equity Share Capital for the year ended March 31, 2019	1,95,342	0.39
Balance as at March 31, 2019	10,85,42,137	217.08

B) Other Equity

	Equity Component of Compound Financial Instruments		Reserves and Surplus				Other Comprehensive Income			Equity attributable to owners of the company	Non controlling Interest	Total Equity	
	Equity Component of Compound Financial Instruments	Component of Compound Financial Instruments	Securities Premium	General Reserve	Capital Reserve	Tonnage Tax Reserve (Utilized)	Share Option Outstanding account	Special Reserve	Retained Earnings				Equity Instrument through Comprehensive Income
Balance as at March 31, 2017	63.16	1,688.81	1,037.77	208.39	92.91	34.48	1,487.04	1,576.54	27.89	(4.71)	6,212.28	1,145.02	7,357.31
Profit for the year	(63.16)	-	-	-	-	(11.92)	-	342.32	-	-	342.32	48.75	391.07
Adjustments during the year*	-	-	-	-	-	-	-	(14.58)	-	-	(14.58)	-	(14.58)
Adjustments to Securities Premium	-	726.60	-	-	-	-	-	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	-	-	-	-	-	-	-	5.28	(1.46)	(102.57)	(98.75)	(0.09)	(98.84)
Balance as at March 31, 2018	-	2,415.41	1,037.77	208.39	92.91	22.56	1,487.04	1,884.85	26.43	(107.28)	7,068.08	1,140.24	8,208.32
Profit for the year	-	-	-	-	-	-	-	183.49	-	-	183.49	46.84	230.33
Transition Adjustment IND AS 115 (Refer Note.31)	-	-	-	-	-	(6.97)	(16.37)	(59.31)	-	1.79	(59.31)	(19.38)	(78.70)
Adjustments during the year	-	-	-	-	-	-	-	(16.91)	-	-	(38.46)	-	(38.46)
Issue of equity shares on exercise of employee stock options	-	17.89	-	-	-	-	-	-	-	-	17.89	-	17.89
Adjustments to Securities Premium**	-	-	-	-	-	-	-	-	-	-	-	100.00	100.00
Final dividend on Equity Shares	-	-	-	-	-	-	-	(97.69)	-	-	(97.69)	(37.16)	(134.85)
Tax on dividend	-	-	-	-	-	-	-	(17.85)	-	-	(17.85)	(7.64)	(25.49)
Other Comprehensive income	-	-	-	-	-	-	-	(8.23)	(16.79)	(3.96)	(28.97)	(2.44)	(31.41)
Balance as at March 31, 2019	-	2,433.30	1,037.77	208.39	92.91	15.59	1,470.67	1,868.35	9.64	(109.45)	7,027.18	1,220.46	8,247.64

* Adjustment related to Foreign Currency Convertible Bonds (FCCBs) includes ₹ 63.16 Mn.

** **Compulsorily Convertible Cumulative Preference Shares ("CCCPs")**: Pursuant to the terms and conditions of the Share Subscription and Shareholder's Agreement ("the Agreement"), the Group had issued 932,237, 2% Compulsorily Convertible Cumulative Preference Shares of ₹ 10 each fully paid-up at a premium of ₹ 97.27 per share, which were convertible into variable number of equity shares of ₹ 10 each in accordance with the terms of the Agreement after the expiry of the Conversion Period as defined in the Agreement. During the year, subsequent to expiry of the conversion period, the investors, in accordance with the terms of the Agreement, has requested for conversion of 932,237 CCCPS of ₹ 10 each fully paid-up into 932,237 equity shares of ₹ 10 each fully paid-up. However, pending such conversion as at March 31, 2019, the amounts have been presented as Non Controlling interest.

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

As per our report of even date For Singhi & Co

Chartered Accountants
Firm Registration No. 302049E

For and on behalf of the Board of Directors

K L Chugh
Chairman
DIN: 0014-0124

Peter H Jayakumar
Chief Financial Officer

Mahendra Agarwal
Founder & CEO
DIN: 00179779

N Srinivasan
Director
DIN: 00004195

Anurag Singhi
Partner
Membership no: 066274
Place: Kolkata
Date: May 28, 2019

Place: Hyderabad
Date: May 28, 2019

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

1) Corporate and general information:

The consolidated financial statements comprise financial statements of Gati limited (the Company) and its subsidiaries (collectively, the Group) for the year ended 31st March, 2019. The Company is a public limited company incorporated in 1995 under provisions of the companies Act, 1956 having its Registered and Corporate Office at Plot no.20, Survey no.12, Kothaguda, Kondapur, Hyderabad - 500 084. Telangana, India. The company is primarily engaged in the business of Express distribution and Supply chain solution through Surface, Air and Rail logistics, Supply chain management (SCM), E-Commerce logistics, Freight Forwarding (Domestic and International) and Cold Chain - transportation and Warehousing, Fuel station. The company is listed on National Stock exchange (NSE) and Bombay Stock Exchange (BSE).

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.

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 Group 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

2.5 Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at March 31, 2019. 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.

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a subsidiary of the company uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that subsidiaries financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on March 31, 2019. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares additional financial information as on the same date for consolidation purpose to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Consolidation Procedure:

- (a) Combine like items of assets, liabilities, equity, income, expenses of the parent with those of its subsidiaries.
- (b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Eliminate in full intragroup assets and liabilities, equity, income, expenses relating to transactions between entities of the group (profits or losses

resulting from intragroup transactions that are recognised in assets, such as inventory and Property, Plant and Equipment, are eliminated in full). Ind AS12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

- (c) In case of foreign subsidiaries, being non-integral foreign operations, revenue items are translated at the average rates prevailing during the period. Assets, liabilities are translated at the closing rate. Any exchange difference arising on translation is 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.

(d) Investment in Associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The Group's investments in its associate are accounted for using the equity method. Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment individually.

The statement of profit and loss reflects the Group's share of the results of operations of the associate. Any change in OCI of those investees is presented as 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

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

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

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

All the other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;

- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

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

2.7 Recent accounting pronouncements - Standard issued but not yet effective

On March 30, 2019 the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2019, notifying Ind AS 116 on Leases. Ind AS 116 would replace the existing leases standard Ind AS 17. The standard sets out the principles for the recognition, measurement, presentation and disclosures for both parties to a contract, i.e. the lessee and the lessor. Ind AS 116 introduces a single lease accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Currently for operating lease rentals are charged to the statement of profit and loss. The Group is currently evaluating the implications of Ind AS 116 on the Consolidated financial statements.

The Companies (Indian Accounting Standards) Amendment Rules, 2019 also notified amendments to the following accounting standards. The amendments would be effective from April 1, 2019.

1. Ind AS 12, Income taxes – Appendix C on uncertainty over income tax treatments
2. Ind AS 23, Borrowing costs - Accounting treatment for specific borrowings cost to be considered for capitalisation
3. Ind AS 109, Financial instruments - Accounting for prepayment features with Negative Compensation
4. Ind AS 19, Employee benefits – Accounting for defined benefit plan on Plan Amendment, Curtailment or Settlement

The Group is in the process of evaluating the impact of such amendments.

Significant Group Accounting Policies:

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

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

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 Group 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 Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced.

Items such as spare parts, stand by equipments and servicing equipments that meet the definition of property, plant and equipment are capitalized at cost and depreciated over their useful life.

Cost in nature of repair and maintenance expenses are charged to the statement of profit or loss during the reporting period in which they are incurred.

Depreciation and Amortisation:

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

De-recognition Assets:

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

2.9. Intangible Assets:

Intangible assets are stated at acquisition cost net of accumulated amortization or cumulative impairment, if any. The Group 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 Group 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

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

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.

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 Group with expected inflationary costs.

2.11. Impairment of assets:

- The Group assesses at each reporting date whether there is any indication that an asset (tangible or intangible), may be impaired. If any indication exists, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating units (CGU) net selling price and its value in use. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered to be impaired and is written down to its recoverable amount. Impairment losses are recognized in the Statement of Profit and Loss. Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognized for an asset in prior accounting periods may no longer exist or may have decreased and such reversal is recorded in the Statement of Profit and Loss.
- Assets that are subject to depreciation and amortization and assets representing investments in associate companies are reviewed for impairment, whenever events or changes in circumstances indicate that carrying amount may not be recoverable. Such circumstances include, though are not limited to, significant or sustained decline in revenues or earnings and material adverse changes in the economic environment.
- 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.

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

2.14. Revenue Recognition:

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net off variable consideration) allocated to the performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various elements like discounts etc.. offered by the Group as part of the contract. The variable consideration is estimated based on the expected value of outflow.

a) Rendering of services:

Income from logistics services rendered are recognized when control over the services transferred to the customer i.e. when the customer has the ability to control the use of the transferred services as per the terms of contract. Revenue is recognized at the fair value of consideration received or receivable, to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured.

b) Sales of Goods:

Revenue from sale of products is recognized when the control on the goods has been transferred to the customer.

c) Others:

- I. Dividend income from investments is recognised when the right to receive payment has been established.
- II. Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and amount of income can be measured reliably.
- III. Rent income is recognised on a straight-line basis over the period of the lease.

2.15. 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 asset are not reclassified subsequent to their initial recognition, except if and in the period the Group changes its business model for managing financial asset. In the case of financial assets, not recorded at fair value through profit or loss (FVTPL), financial assets are recognized initially at fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

I. Financial assets at amortized cost:

A financial asset is measured at 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 Group may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income (designated as FVOCI-equity investment). This election is made on an investment-by-investment basis.

Financial assets are measured at the FVOCI if both of the following conditions are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The asset's contractual cash flows represent SPPI.

Financial assets included within the FVTOCI category are measured initially as well as at

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI).

III. Financial assets at fair value through profit or loss (FVTPL):

All financial assets which are not classified/ measured at amortised cost or FVOCI as

described above are measured at FVTPL. On initial recognition, the Group may irrevocably designate 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 Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument.

Financial guarantee contracts are recognised initially as a liability at fair value net off transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortization.

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

iii) Impairment of Financial Assets:

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115.

The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables.

The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime Expected credit loss at each reporting date, right from its initial recognition.

As a practical expedient, the Group uses historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates to determine impairment loss allowance on portfolio of its trade receivables.

iv) Derecognition:

a) Financial Assets:

The Group derecognizes a financial asset only

- when the contractual rights to the cash flows from the asset expire, or
- It transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

b) Financial liabilities:

The Group derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognizes a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in Statement of Profit and Loss.

v) Offsetting:

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet, when and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

2.16. Fair Value measurement:

A number of the Group accounting policies and disclosures require the measurement of fair values, for financial assets and financial liabilities. The Group has an established control framework with respect to the measurement of fair values. The management has overall responsibility for overseeing all significant fair value measurements and it regularly reviews significant unobservable inputs and valuation adjustments.

The Group measures financial assets and financial liability at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1- Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2- Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3- Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

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 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

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

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 Group has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Contingent liabilities are disclosed in respect of possible obligations that arise from past events, whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. Such liabilities are disclosed by way of notes to the financial statements.

2.21. 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 "Share Option outstanding account". In case of forfeiture of unvested option, portion of amount already expensed is reversed. In a situation where the vested option forfeited or expires unexercised, the related balance standing to the credit of the "Share Option outstanding account" are transferred to the "General Reserve". When the options are exercised, the Company issues new fully paid up equity shares of the Company. The proceeds received and the related balance standing to credit of the Share Option outstanding account, are credited to equity share capital (nominal value) and Securities Premium.

2.24. Earnings per share:

(i) Basic earnings per share

Basic earnings per share are calculated by dividing the net profit or loss before other comprehensive Income for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

(ii) Diluted earnings per share:

Diluted earnings per share adjust the figures used in the determination of basic earnings per share to take into account:

- The after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

3 Property, Plant and Equipment

Tangible Assets

	Cost				Depreciation		Net Carrying Value	
	As at March 31, 2018		As at March 31, 2019		As at March 31, 2018		As at March 31, 2019	
	As at March 31, 2018	Additions	Deductions/Adjustment	As at March 31, 2019	As at March 31, 2018	For the year	Adjustments	As at March 31, 2019
Freehold Land	3,448.52	0.06	49.97	3,398.61	-	-	-	3,398.61
Leasehold Land	18.02	-	-	18.02	0.90	0.90	1.80	16.22
Buildings	1,126.22	4.49	0.26	1,130.45	99.87	27.07	126.75	1,003.71
Vehicles	401.26	150.48	148.18	403.56	262.17	36.95	192.72	210.84
Plant & Machinery	1,072.07	32.35	7.52	1,096.90	483.61	89.53	566.78	530.12
Computers	423.50	43.08	7.63	458.95	332.75	42.21	368.18	90.76
Furniture & Fittings	416.82	20.60	0.03	437.39	191.94	34.32	226.26	211.13
Office Equipments	239.16	17.86	0.16	256.86	167.05	27.03	193.95	62.91
Assets taken on Finance Lease								
Vehicles	15.91	122.49	-	138.40	0.43	14.95	15.38	123.02
Computers	22.03	12.63	0.08	34.58	1.01	6.99	7.98	26.60
TOTAL	7,183.51	404.04	213.83	7,373.71	1,539.73	279.95	1,699.80	5,673.91

	Cost				Depreciation		Net Carrying Value	
	As at March 31, 2017		As at March 31, 2018		As at March 31, 2017		As at March 31, 2018	
	As at March 31, 2017	Additions	Deductions/Adjustment	As at March 31, 2018	As at March 31, 2017	For the year	Adjustment	As at March 31, 2018
Freehold Land	3,432.62	28.41	12.51	3,448.52	-	-	-	3,448.52
Leasehold Land	18.02	-	-	18.02	0.90	0.90	1.80	17.12
Buildings	1,054.19	73.22	1.19	1,126.22	72.96	26.95	99.87	1,026.35
Vehicles	395.13	22.34	16.21	401.26	228.19	40.16	262.17	139.10
Plant & Machinery	945.15	149.82	22.90	1,072.07	410.46	88.17	483.61	588.46
Computers	423.53	16.17	16.20	423.50	276.20	65.08	332.75	90.75
Furniture & Fittings	388.77	28.08	0.03	416.82	155.90	36.04	191.94	224.87
Office Equipments	217.26	21.94	0.04	239.16	143.15	23.92	167.05	72.11
Assets taken on Finance Lease								
Vehicles	-	15.91	-	15.91	-	0.43	0.43	15.48
Computers	-	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	1,539.73	5,643.78

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

Capital Work in Progress	(₹ in Mn)	
	As at March 31, 2019	As at March 31, 2018
	51.14	21.34
	51.14	21.34

Notes :

- The amount of Contractual commitments for acquisition of property, plant and equipment is disclosed in Note.41(II)
- Refer Note 22 and Note 25 for information on Property, Plant and Equipments pledged as securities by the Company.
- The Company had committed in an earlier year to transfer portion of a office building to a trust for a consideration of ₹ 62.5 Mn against which an advance of ₹ 25 Mn had already been received. As the Trust has not so far taken steps to complete the transaction and in view of the long lapse of time, the said office space has not been classified as "Asset Held for Sale" in the Balance Sheet.

4. Goodwill	(₹ in Mn)	
	As at March 31, 2019	As at March 31, 2018
Goodwill	4,468.78	4,468.78
Less : Impairment on goodwill	(210.80)	(210.80)
	4,257.98	4,257.98

5. Other Intangible Assets	(₹ in Mn)									
	Particulars	Cost				Amortisation				Net Carrying Value As at March 31, 2019
		As at March 31, 2018	Additions	Deductions/ Adjustment	As at March 31, 2019	As at March 31, 2018	For the year	Deductions/ Adjustments	As at March 31, 2019	
Computer Software	97.65	11.57	-	109.21	63.89	15.20	-	79.08	30.13	
Total	97.65	11.57	-	109.21	63.89	15.20	-	79.08	30.13	

Other Intangible Assets	(₹ in Mn)									
	Particulars	Cost				Amortisation				Net Carrying Value As at March 31, 2018
		As at March 31, 2017	Additions	Deductions/ Adjustment	As at March 31, 2018	As at March 31, 2017	For the year	Deductions/ Adjustment	As at March 31, 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	

6. Intangible Assets under Development	(₹ in Mn)	
	As at March 31, 2019	As at March 31, 2018
	-	4.42
	-	4.42

Notes :

- The amount of Contractual commitments for acquisition of property, plant and equipment is disclosed in Note.41(II)

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

7. Investment in Associate

(₹ in Mn)

	As at March 31, 2019		As at March 31, 2018	
	Number / Units	Amount	Number / Units	Amount
Investment in Equity Shares of an Associate				
Gati Ship Ltd. of ₹ 10/- each (Refer note no.52)	48,00,000	862.30	48,00,000	862.30
Less: Impairment Allowance		(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 allowance)		-		-
Aggregate Impairment Allowance		862.30		862.30

8. Investments

(₹ in Mn)

	As at March 31, 2019		As at March 31, 2018	
	Number / Units	Amount	Number / Units	Amount
A) Investments at Fair Value through Other Comprehensive Income				
Investment in Equity Instrument (Quoted)				
TCI Finance Ltd. of ₹ 10/- each	16,00,300	24.00	16,00,300	39.05
State Bank of India of ₹ 1/- each	10,000	0.32	10,000	2.50
Sub Total (A)		24.32		41.55
B) Investments at Fair Value through Profit and Loss				
1. Investments in Equity Instruments (Unquoted)				
Amrit Jal Ventures Pvt Ltd. of ₹ 10/- each*	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
Total		-		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	34,57,236	-	34,57,236	-
14.5% Unsecured OCD of Gati Infrastructure Sada-Mangder Power Pvt Limited of ₹ 100/- each	9,93,354	-	9,93,354	-
Sub Total B=(1+2+3)		-		0.18
Grand Total (A+B)		24.32		41.73

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

8. Investments (Contd.)

(₹ in Mn)

	As at March 31, 2019		As at March 31, 2018	
	Number / Units	Amount	Number / Units	Amount
Aggregate amount of Quoted and Unquoted Investments, Market value of Quoted Investments are given as below:				
Aggregate Market Value of Quoted Investments		24.32		41.55
Aggregate carrying cost of Quoted Investments		14.40		14.40
Aggregate carrying cost of Unquoted Investments		-		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 Group has been legally advised that the beneficial interest in such shares continues with the Group.

Note:

Based on the valuation being done internally/ by independent agencies the valuation for Investments at Fair Value through Profit and Loss is considered to be Nil (Previous year Nil).

9. Loans

(₹ in Mn)

	As at March 31, 2019	As at March 31, 2018
Unsecured, Considered Good		
Security Deposits	2.11	2.69
Advances and Deposit with others	114.37	142.30
Total	116.48	144.99

10. Deferred tax Assets (Net)

(₹ in Mn)

	As at March 31, 2019	As at March 31, 2018
MAT Credit	2.03	18.30
Deferred Tax Asset (Net)	40.43	7.82
Total	42.46	26.12

10.1. Movement in Deferred Tax Assets and Liabilities during the year ended March 31,2018 and March 31,2019

(₹ in Mn)

Deferred Tax Balance in relation to	As at March 31, 2017	Recognised In Statement of Profit & Loss	Recognised In Other Comprehensive Income(OCI)	As at March 31, 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

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

10.1. Movement in Deferred Tax Assets and Liabilities during the year ended March 31, 2018 and March 31, 2019 (Contd.)

(₹ in Mn)

Deferred Tax Balance in relation to	As at March 31, 2018	Recognised In Statement of Profit & Loss	Recognised In Other Comprehensive Income(OCI)	As at March 31, 2019
Deferred Tax Assets/(Liabilities)				
Property, plant and equipment	(72.45)	3.32		(69.13)
Allowances for Doubtful Receivables	58.67	13.15		71.82
Employee benefits - Gratuity and Leave Encashment	26.04	8.40	3.65	38.09
Other temporary Differences	(4.28)	3.94	-	(0.34)
MAT Credit Entitlement (Net)	18.29	(16.27)	-	2.02
Deferred Tax liabilities adjustment	(0.15)	0.15		-
Deferred Tax Assets/(Liabilities)	26.12	12.69	3.65	42.46

11. Non-Current tax Assets (Net)

(₹ in Mn)

	As at March 31, 2019	As at March 31, 2018
Tax Deducted at Source	1,403.11	1,310.56
Advance Tax	178.45	135.61
Provision for Income Tax	(875.01)	(917.21)
Total	706.55	528.96

12. Other Non current assets

(₹ in Mn)

	As at March 31, 2019	As at March 31, 2018
Capital Advance		
Unsecured, considered good	69.49	15.49
Unsecured, considered doubtful	5.90	5.90
	75.39	21.39
Less: Allowance for doubtful advances	(5.90)	(5.90)
	69.49	15.49
Deferred employee stock option compensation	1.84	6.34
Advance Lease Rentals	96.76	97.86
Earnest Money Deposit	16.20	15.64
Prepaid Expenses	35.65	20.79
Pre-Operative Expenses	0.92	0.46
Total	220.86	156.58

13. Inventories

(₹ in Mn)

	As at March 31, 2019	As at March 31, 2018
(At Lower of the cost or Net realisable value)		
Stock-in-Trade	27.40	21.29
Stores and spares	92.46	68.91
Total	119.86	90.20

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

14. Trade Receivables

(₹ in Mn)

	As at March 31, 2019	As at March 31, 2018
Unsecured		
Considered Good	2,389.31	2,431.67
Significant increase in credit risk	-	-
Credit Impaired	241.51	302.56
	2,630.82	2,734.23
Less: Allowance for Doubtful Receivables	241.51	302.56
Total	2,389.31	2,431.67

Note:

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.

15A. Cash and Cash Equivalents

(₹ in Mn)

	As at March 31, 2019	As at March 31, 2018
Cash in hand	10.75	14.40
Balances with Banks:		
In Current Accounts	158.60	172.49
Deposits with original maturity of less than three months	4.40	4.22
Total	173.75	191.11

15B. Bank Balances other than 15A above

(₹ in Mn)

	As at March 31, 2019	As at March 31, 2018
Deposits with original maturity of more than three months and less than twelve months *	287.30	210.25
Balances with Bank held as margin money/ security	7.24	8.55
Unpaid Dividend account	8.99	7.72
Total	303.53	226.52

* Fixed deposit amounting to ₹ 16.50 Mn (Previous year: ₹ 16.50 Mn) has been lien Marked for a term loan.

16. Other Financial Assets

(₹ in Mn)

	As at March 31, 2019	As at March 31, 2018
(Unsecured, considered good unless otherwise stated)		
Accrued Interest on Deposits, Loan and investments	222.82	220.59
Less: Allowance for doubtful receivable	(215.71)	(215.71)
	7.11	4.88
Security Deposits	3.39	4.43
Earnest Money Deposits	1.66	3.35
Other Advances receivable (Refer note 53 & 55)	439.79	425.23
Total	451.95	437.90

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

17. Current tax Asset

(₹ in Mn)

	As at March 31, 2019	As at March 31, 2018
Current tax	1.43	-
Total	1.43	-

18. Other Current Assets

(₹ in Mn)

	As at March 31, 2019	As at March 31, 2018
(Unsecured , Considered good unless otherwise stated)		
Operational Advances	234.85	237.87
Less: Provision for doubtful advances	(2.57)	(4.59)
	232.28	233.28
Prepaid Expenses	52.84	62.95
Balances with Government Authorities	24.18	19.33
Prepaid Lease Rentals	1.10	1.10
Others	6.27	10.15
Total	316.67	326.81

19. Assets held for sale

(₹ in Mn)

	As at March 31, 2019	As at March 31, 2018
Freehold Land	16.01	-
Total	16.01	-

20. Equity Share Capital

(₹ in Mn)

	As at March 31, 2019		As at March 31, 2018	
	Number	Amount	Number	Amount
Authorized:				
Equity Shares of ₹ 2/- each	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
		300.00		300.00
Issued:				
Equity Shares of ₹ 2/- each fully paid up	10,85,42,137	217.08	10,83,46,795	216.69
		217.08		216.69
Subscribed and Paid-up:				
Equity Shares of ₹ 2/- each fully paid up	10,85,42,137	217.08	10,83,46,795	216.69
		217.08		216.69

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 March 31, 2019

20. Equity Share Capital (Contd..)

b) Reconciliation of equity shares outstanding at the beginning and at the end of the year: (₹ in Mn)

Equity Shares of ₹ 2 each fully paid	As at March 31, 2019		As at March 31, 2018	
	No. of Shares	Amount	No. of Shares	Amount
Shares at the beginning of the year	10,83,46,795	216.69	8,81,82,054	176.36
Shares issued on exercise of Employee Stock Option Scheme	1,95,342	0.39	2,90,516	0.58
Conversion of Foreign currency convertible bond	-	-	1,98,74,225	39.75
Shares at the end of the year	10,85,42,137	217.08	10,83,46,795	216.69

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

Name of the share holder Equity Shares of ₹ 2 each fully paid held by	As at March 31, 2019		As at March 31, 2018	
	No. of Shares	% Holding	No. of Shares	% Holding
Bay Capital India Fixed Income Fund Ltd.,	78,34,755	7.22%	98,74,726	9.11%
Goldman Sachs International	64,35,000	5.93%	90,97,605	8.40%
Neera And Children Trust	55,99,995	5.16%	55,99,995	5.17%
Total	1,98,69,750	18.31%	2,45,72,326	22.68%

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) 3,58,150 options (Equity Shares of ₹ 2 each) are reserved under employee stock option scheme as on March 31, 2019 (Previous year 5,94,992 as on March 31, 2018) out of this 2,47,150 options and 1,11,000 options will vest/ allot in the year 2019-20 & 2020-21 respectively.

Equity Shares of ₹ 2 each fully paid	As at March 31, 2019		As at March 31, 2018	
	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 options granted and Outstanding	3,58,150	0.72	5,94,992	1.19
Total	3,58,150	0.72	5,94,992	1.19

- 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.

21. Other Equity

(₹ in Mn)

	As at March 31, 2019	As at March 31, 2018
a) Securities Premium	2,433.30	2,415.40
b) General Reserve	1,037.77	1,037.77
c) Capital Reserve	208.39	208.39
d) Tonnage Tax Reserve (Utilized)	92.91	92.91
e) Share Option Outstanding account	15.59	22.56
f) Special Reserve	1,470.67	1,487.04
g) Retained Earning	1,868.35	1,884.85
h) Other Comprehensive Income	(99.81)	(80.84)
Total Other Equity	7,027.18	7,068.08

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

21. Other Equity

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

- a) **Securities Premium** : Securities premium is used to record the premium on issue of equity shares. The same can be utilised in accordance with the provisions of the Companies Act, 2013.
- b) **General Reserve**: This reserve is the retained earnings of the company, which are kept aside out of the group profit to meet future (known or unknown) obligations.
- c) **Capital Reserve** : Capital Reserve includes amount received on allotment of convertible warrants was forfeited and transferred to Capital Reserve Account.
- d) **Tonnage Tax Reserve (Utilised)**: This reserve is a statutory reserve which is created and will be utilized in accordance with the provisions of Section 115VT of Income tax Act 1961 to comply with the provisions of 'Tonnage Tax Scheme' under Chapter XII-G.
- e) **Share option outstanding account**: The share options outstanding account is used to record the value of equity-settled share based payment transactions with employees. The amount recorded in the share options outstanding account are transferred to securities premium upon exercise of stock options by employees.
- f) **Special Reserve**: The Hon'ble Andhra Pradesh High Court, approved the Scheme of Arrangement for amalgamation. (The Scheme) vide its Order dated March 19, 2013 which 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 group, after declaration of dividend.
- h) **Other Comprehensive Income**
- i) **Equity Instrument through OCI**: The company has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the equity instruments through OCI shown under the head other equity. The company transfer amounts there from to retained earnings when the relevant equity securities are derecognised.
- ii) **Foreign Currency Translation Reserve**:- Exchange differences relating to the translation of the results and net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e. ₹) are recognized directly in the other comprehensive income and accumulated in foreign currency translation reserve.

22. Borrowings

(₹ in Mn)

	As at March 31, 2019		As at March 31, 2018	
	Non - Current	Current Maturities	Non - Current	Current Maturities
Secured				
Non-convertible debentures ("NCD")	438.41	334.46	713.68	-
Term Loan From Banks	823.57	382.69	994.09	358.68
Term Loan From Financial Institutions	202.01	52.82	197.87	50.52
Finance lease Obligation	134.28	27.97	49.52	6.28
Sub Total (A)	1,598.27	797.94	1,955.16	415.48
Unsecured -				
- Fixed deposits (From Public)	88.58	47.32	105.27	31.18
2% Compulsorily Convertible Cumulative Preference Shares	-	-	100.00	-
Amount disclosed under the head "Other Financial Liabilities" (Refer Note.27)	-	(845.26)	-	(446.66)
Sub Total (B)	88.58	(797.94)	205.27	(415.48)
Total (A+B)	1,686.85	-	2,160.43	-

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

Details of non-convertible debentures

The Group has issued 590 (March 31, 2018: 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 Group has allotted 350 NCD on February 29, 2016; 180 NCD on January 01, 2015 and 60 NCD on October 09, 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 extended corporate guarantee and has pledged 2,562,826 equity shares of ₹ 10 each held in the Group.

The NCDs carry coupon rate of 5.65% (March 31, 2018: 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 Group has option to extend the term of a portion of NCDs by a period of two years subject to certain conditions laid out in the Bond Subscription Agreement. Also, under certain circumstances, the Group has an option to redeem the NCDs at any time after expiry of one year from the date of the issue

(₹ in Mn)					
Bank Name / Note No	ROI	Number of Installments pending/Type of installments	Installment Amount ₹	Starting Date	Outstanding Amount ₹
State Bank of India (Note A)	MCLR+450 BPS	12/Quarterly	10.00	30-Jun-18	120.00
Karur Vysya Bank Ltd. (Note B)	MCLR +200 BPS	1/Quarterly	18.75	30-Sep-15	18.75
Syndicate Bank (Note C)	MCLR+160 BPS	11/Quarterly	18.75	31-Mar-18	206.25
Hero Fincorp (Note D)	11.5%	39/Monthly	4.87	8-Jul-17	189.97
Kotak Mahindra Bank Ltd-Loan I (Note E)	MCLR + 80 BPS	45/Monthly	1.77	5-Jan-18	79.76
Kotak Mahindra Bank Ltd-Loan II (Note E)	MCLR + 80 BPS	45/Monthly	3.66	25-Apr-18	164.86
South Indian Bank Ltd (Note F)	MCLR +50 BPS	62/Monthly	2.28	31-Mar-16	141.52
Syndicate Bank (Note G)	MCLR+145BPS	11/Quarterly	14.38	1-Apr-19	163.93
Vehicle Loan	8.20%-10.50%	EMI			378.29
Unwinding interest on term loan					(2.25)

Nature of Security /Pledge:

Notes Nature of Security/Pledge

- A) First pari Passu charge along with other working capital lenders on the entire current assets of the Group 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 Hubli, Bangalore of Gati Kintetsu Express PrivateLimited.
 - 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.
 - 3) Personal Guarantee of Managing Director
- E) First and exclusive charge by way of mortgage of Immovable property situated at Smalkha, New Delhi.

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

Nature of Security /Pledge: (Contd..)

Notes Nature of Security/Pledge

- 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 11 quarterly installment of ₹ 14.37 Millions between April 2019 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 property at Peenya, Bangalore. The above term loan is guaranteed by the Gati Limited. The loan carries interest one year MCLR+145bps.
- H) Finance lease obligation is secured by hypothecation of leased vehicles and due for repayment over a period of 4 years. Hypothecated against vehicles.

23. Other Financial Liabilities

(₹ in Mn)

	As at March 31, 2019	As at March 31, 2018
Rental Obligation	24.29	24.65
Security Deposit	40.75	31.06
Interest accrued but not due on borrowings	4.40	3.03
Total	69.44	58.74

24. Provisions

(₹ in Mn)

	As at March 31, 2019	As at March 31, 2018
Employee Benefits		
Gratuity (Refer Note No.44)	47.80	40.92
Leave Encashment	33.16	28.25
Total	80.96	69.17

25. Borrowings

(₹ in Mn)

	As at March 31, 2019	As at March 31, 2018
Secured		
i) Working Capital facilities from Banks *		
- Cash Credit	1,137.33	1,050.28
Grand Total	1,137.33	1,050.28

(₹ in Mn)

Particulars of Nature of Security:	As at March 31, 2019	As at March 31, 2018
1 Working capital loan is secured by first charge on entire current assets of the Group on pari-passu basis with other working capital lenders with property situated at	56.56	51.06
1) Verna Industrial Estate, Salcete, Goa.		
2) Pimplas village, Bhiwandi, Thane District, Mumbai.		
3) Lonard Village, Bhiwandi, Thane District, Mumbai.		
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.	1,080.77	999.22
Total	1,137.33	1,050.28

* Average rate of interest varying between 8.5%-11% p.a.

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

26. Trade Payables

(₹ in Mn)

	As at March 31, 2019	As at March 31, 2018
For Goods and Services		
Total Outstanding dues of micro and small enterprises (Refer Note 46)	-	-
Total Outstanding dues of creditors other than micro and small enterprises (Including acceptances)	1,490.46	1,239.91
Total	1,490.46	1,239.91

27. Other Financial Liabilities

(₹ in Mn)

	As at March 31, 2019	As at March 31, 2018
Current Maturities of Long-term borrowings - Term Loan (Refer Note.22)	817.29	440.39
Current Maturities of Finance lease Obligation (Refer Note.22)	27.97	6.28
Security Deposits	139.82	156.77
Rental Obligation	3.59	3.02
Interest accrued but not due on Borrowings	4.13	2.97
Unpaid dividends (a)	8.99	7.72
Employee Related Liabilities	229.30	189.22
Unpaid matured deposits and interest accrued thereon	7.28	9.30
Liability towards guarantee invoked (Refer Note.39)	236.00	236.00
Others	119.73	166.31
Total	1,594.10	1,217.98

(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

28. Other Current Liabilities

(₹ in Mn)

	As at March 31, 2019	As at March 31, 2018
Statutory dues	89.35	59.80
Other Advances		
Due to an Associates	-	25.79
Others (Refer Note 3c)	260.06	244.03
Total	349.41	329.62

29. Current Tax Liabilities

(₹ in Mn)

	As at March 31, 2019	As at March 31, 2018
Provision for income tax	0.41	0.18
Total	0.41	0.18

30. Provisions

(₹ in Mn)

	As at March 31, 2019	As at March 31, 2018
Provision for Employee Benefits		
- Gratuity (Refer Note.44)	7.51	6.70
- Leave Encashment	15.16	5.85
Total	22.67	12.55

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

31. Revenue From Operations

(₹ in Mn)

	Year ended March 31, 2019	Year ended March 31, 2018
Sale of Services		
Freight, Ecom, Demurrage and Miscellaneous services	14,541.50	14,138.98
Sale of Products		
Sale of Diesel, Petrol and Lubricants & Others	4,015.84	3,190.95
Total (A)	18,557.34	17,329.93
Other Operating Revenue		
Other Recoveries	74.60	34.81
Total (B)	74.60	34.81
Grand total (A+B)	18,631.94	17,364.74

A. Adoption of Ind AS 115-Revenue from contract with customers:

Effective April 01, 2018, the Group has adopted Ind AS-115 "Revenue from Contracts with Customers" using modified retrospective approach as on April 1, 2018. As a result of change in the accounting policy on adoption of Ind AS 115, transition adjustment of ₹ 78.70 Mn has been with retained earnings (net of deferred tax) as at April 1, 2018. Due to change in the accounting policy for revenue recognition, revenue from operations for the year is higher by ₹ 40.9 Mn, if erstwhile standards were applicable.

B. Revenue from contracts with customers disaggregated based on revenue stream and by reportable segment

(₹ in Mn)

	Year ended March 31, 2019	Year ended March 31, 2018
Revenue based on product & services		
a) Express Distribution	14,541.34	14,126.62
b) Fuel Stations	2,920.88	2,411.18
c) Others	1,095.12	792.13
Other Operating Revenues	74.60	34.81
Total	18,631.94	17,364.74
Revenue based on Geography		
India	18,058.49	16,619.15
Overseas	573.45	745.59
	18,631.94	17,364.74
Reconciliation of Revenue from Operation with contract price		
Revenue as per contract price	18,997.11	17,683.28
Less:		
Discounts	(15.88)	(15.74)
Credit note	(314.30)	(272.72)
Undelivered shipments	(109.59)	(64.89)
Revenue from Operation	18,557.34	17,329.93

Transaction Price - Unsatisfied Performance Obligation

The Company's unsatisfied performance obligations mainly arises on account of undelivered shipments. The aggregate value of transaction price allocated to the unsatisfied performance obligations as at March 31, 2019 is ₹ 109.59 Mn, which is expected to be recognised during next year.

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

C. Contract Balances

(₹ in Mn)

	Year ended March 31, 2019	Year ended March 31, 2018
Contract Assets	44.24	43.90
Trade Receivables	2,630.82	2,734.23
Less: Impairment allowances	241.51	302.56
Total	2,389.31	2,431.67

Contract asset is the right to consideration in exchange for goods or services transferred to the customer. Contract liability is the entity's obligation to transfer goods or services to a customer for which the entity has received consideration from the customer in advance. Contract assets are transferred to receivables when the rights become unconditional and contract liabilities are recognised as revenue as and when the performance obligation is satisfied.

32. Other Income

(₹ in Mn)

	Year ended March 31, 2019	Year ended March 31, 2018
Interest income on		
Deposit with Bank and Others	18.38	18.99
Refund of Income tax	40.29	24.03
Other Non Operating Income		
Rental Income	36.02	24.65
Net Foreign Exchange Gain	3.01	1.90
Net Gain on disposal of Property, plant & equipment	3.94	57.88
Liabilities no longer required - written back (Refer note no. 56)	50.00	639.81
Miscellaneous Income	7.92	11.24
Total	159.56	778.50

33. Operating Expenses

(₹ in Mn)

	Year ended March 31, 2019	Year ended March 31, 2018
Freight	8,863.29	8,675.31
Fleet Running Expenses	304.82	282.35
Vehicles' trip expenses	359.22	285.39
Tyres and Tubes	3.07	5.90
Warehouse rent	157.13	121.35
Claims for Loss & Damages (Net)	139.82	127.12
Vehicles' taxes	8.74	6.35
Vehicles' and ships Insurance	2.57	3.46
Power, Fuel and Water Expenses	11.00	10.34
Stores and Spare Parts Consumed	27.16	37.01
Other Operating Expenses	571.06	517.84
Total	10,447.88	10,072.43

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

34 Changes in Inventories of Stock-in-Trade

(₹ in Mn)

	Year ended March 31, 2019	Year ended March 31, 2018
Opening Stock :		
Stock-in-trade	85.98	62.67
	85.98	62.67
Less: Closing Stock		
Stock-in-trade	117.47	85.99
	117.47	85.98
Increase / (Decrease) in Inventories of Stock-in-trade	(31.49)	(23.32)

35. Employee Benefit Expense

(₹ in Mn)

	Year ended March 31, 2019	Year ended March 31, 2018
Salaries, Wages & Bonus	1,737.49	1,776.00
Contribution to Provident fund and other funds	92.24	86.68
Expenses on Employee Stock Option scheme	0.07	1.08
Staff Welfare Expenses	33.82	48.37
Total	1,863.62	1,912.13

36. Finance Costs

(₹ in Mn)

	Year ended March 31, 2019	Year ended March 31, 2018
Interest Expense on		
Term Loans and Working Capital facilities	420.00	428.74
Public Deposits	13.13	20.37
Finance lease Obligations	14.60	1.08
Others borrowing cost	4.99	19.32
Total	452.72	469.51

37. Depreciation and amortization expense

(₹ in Mn)

	Year ended March 31, 2019	Year ended March 31, 2018
Depreciation on Tangible Assets	279.95	283.65
Amortisation of Intangible Assets	15.20	16.31
Total	295.15	299.96

38. Other Expenses

(₹ in Mn)

	Year ended March 31, 2019	Year ended March 31, 2018
Rent	634.84	563.70
Rates and Taxes	24.87	31.94
Insurance	12.84	12.51
Telephone expenses	25.41	40.72
Printing and Stationery	33.27	28.62
Travelling expenses	78.13	90.58
Professional and Consultancy Charges	73.99	68.32
Advertisement Expenses	31.46	45.50
Electricity	96.70	92.80
Office maintenance	181.63	185.69

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

38. Other Expenses (Contd..)

(₹ in Mn)

	Year ended March 31, 2019	Year ended March 31, 2018
Bank Collection charges	16.73	19.91
Director Sitting fees	3.90	2.42
Commission to Non-Whole-time Directors	2.45	2.75
Corporate Social Responsibility Expenditure (Refer Note 38.1)	9.39	4.68
Payment to Auditors [Refer Note: 38.2]	7.83	5.85
Allowance for Doubtful Receivables	16.64	(1.11)
Bad debts and irrevocable balances written off	65.28	421.17
Less: Provision for loss allowances recognised in Earlier years	(64.03)	(366.98)
Provision towards capital expenditure	18.06	10.97
Impairment allowance for Investment	0.05	0.50
IT Network Expenses	56.15	53.91
Charity and Donations	6.83	3.80
Repairs and Maintenance	91.34	90.41
Miscellaneous expenses	140.07	151.80
Total	1,563.83	1,560.44

38.1 Corporate Social Responsibility Expenditure

(₹ in Mn)

	Year ended March 31, 2019	Year ended March 31, 2018
Gross amount required to be spent by the company during the year (A)	35.48	23.59
Amount Spent during the Year (B)		
i) Construction/Acquisition of any asset	-	1.12
ii) On purpose other than (i) above	9.39	3.56
Total	9.39	4.68
Accumulated amount Unspent as at year end (A - B)	26.09	18.91

38.2 Payment to Auditors (Excluding Goods and Services Tax)

(₹ in Mn)

	Year ended March 31, 2019	Year ended March 31, 2018
Statutory Audit fees	5.00	4.15
Taxation Matters	1.14	1.39
Certification fees and other services	1.69	0.31
Total	7.83	5.85

39. Exceptional Items

(₹ in Mn)

	Year ended March 31, 2019	Year ended March 31, 2018
Provision of invocation of Corporate Guarantee *	-	236.00
Total	-	236.00

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

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

40. Tax Expenses

(₹ in Mn)

	Year ended March 31, 2019	Year ended March 31, 2018
Income Tax recognised in Statement of Profit and Loss		
Current Tax	111.47	96.71
Deferred Tax	12.84	55.83
Income Tax for earlier years	-	0.39
Total	124.31	152.93

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

(₹ in Mn)

	Year ended March 31, 2019	Year ended March 31, 2018
Profit before Tax	354.64	544.00
Applicable Tax Rate	34.944%	34.608%
Tax Expense	123.93	188.27
Tax Effect of :		
Expenses non-deductible for tax purposes	5.90	2.11
Effect of different tax rate on certain items	-	-
Exempted income & Expenses allowable for tax purposes	(49.75)	(61.53)
Utilisation of previously unrecognised tax losses	(35.40)	(113.99)
Other differences (Including effect of non recognition of Deferred Tax Asset)	(32.67)	(16.16)
MAT payable at 18.5% on the adjusted book profits of the company in accordance with the provisions of Income Tax Act, 1961	13.67	61.99
Difference in tax rates of subsidiary companies	98.63	92.24
Tax Expense in Statement of Profit and Loss	124.31	152.93

41. Contingent liabilities and commitments

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

(₹ in Mn)

	As at March 31, 2019	As at March 31, 2018
(a) Claim against the Company not acknowledged as debt		
(i) Income tax Demand disputed in appeals	1,422.74	1,373.06
(ii) Service tax demand disputed in appeals	438.49	457.42
(iii) Others	59.58	89.25
Total	1,920.81	1,919.73
(b) Bank Guarantee (*)	35.77	106.15

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

(c) There is numerous interpretive issues related to the Supreme Court judgment dated February 20, 2019 on Provident Fund (PF) on the inclusion of allowance for the purpose of PF contribution as well its applicability of effective date. The Group will address the issue when clarification is made available.

(II) Commitments

(₹ in Mn)

	As at March 31, 2019	As at March 31, 2018
Commitments for Acquisition of Property, Plant and Equipment (Net of Advance)		
Towards Property, plant & Equipment	39.80	14.00
Towards intangible Assets	14.12	8.32
	53.92	22.32

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

42. 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 March 31, 2019	As at March 31, 2018
Not later than one year	11.89	14.84
Later than one year but not later than five years	54.19	71.49
Later than five years	233.84	275.55
	299.92	361.88

43. Finance Leases: Company as Lessee

The future minimum lease rentals payable as at March 31, 2019 and as at March 31, 2018 and the corresponding present value of such payments is as follows:

Finance Lease - Future minimum Lease payments are as follows:

	(₹ in Mn)	
	As at March 31, 2019	As at March 31, 2018
(a) Minimum Lease Payment		
i) Not later than one year	42.00	9.49
ii) Later than one year but not later than five years	147.39	49.63
iii) Later than five years	41.09	43.20
Total (a)	230.48	102.32
(b) Finance Lease Charges		
i) Not later than one year	12.03	3.21
ii) Later than one year but not later than five years	26.21	8.97
iii) Later than five years	30.00	34.34
Total (b)	68.24	46.52
(c) Net Principal Component		
i) Not later than one year	27.97	6.28
ii) Later than one year but not later than five years	123.18	40.66
iii) Later than five years	11.10	8.85
Total (c) = (a-b)	162.25	55.79

44. Disclosure as required under Ind AS 19 on Employee Benefits:

	(₹ in Mn)	
	As at March 31, 2019	As at March 31, 2018
Statement of Assets and Liabilities for defined benefit obligation		
Defined benefit asset - Gratuity Plan	59.45	55.97
Defined benefit obligation - Gratuity Plan	(108.54)	(96.19)
Total employee benefit (Liabilities)/Assets	(49.09)	(40.22)

Defined contribution

The expense for defined contribution plans amounted to ₹ 92.24 Mn and ₹ 86.68 Mn for the year ended March 31, 2019 and March 31, 2018 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/

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

44. Disclosure as required under Ind AS 19 on Employee Benefits: (Contd..)

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.

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

(₹ in Mn)

	As at March 31, 2019	As at March 31, 2018
(I) Reconciliation of present value of defined benefit obligation		
(a) Balance at the beginning of the year	96.19	87.97
(b) Current service cost	11.64	16.01
(c) Interest cost	7.34	7.36
(d) Past service cost	-	6.47
(e) Benefits paid	(19.11)	(15.29)
(f) Actuarial (gains)/ losses recognised in other comprehensive income		
change in financial assumptions	6.97	(34.58)
experience adjustments	5.51	28.25
Balance at the end of the year	108.54	96.19
(II) Reconciliation of present value of plan assets		
(a) Balance at the beginning of the year	55.97	49.46
(b) Actual return on plan assets	2.59	2.95
(c) Contributions by the employer	20.00	18.85
(d) Benefits paid	(19.11)	(15.29)
Balance at the end of the year	59.45	55.97
(III) Net asset/ (liability) recognised in the Balance Sheet		
(a) Present value of defined benefit obligation	(108.54)	(96.19)
(b) Fair value of plan assets	59.45	55.97
Net defined benefit obligations in the Balance Sheet	(49.09)	(40.22)
(IV) Expense recognised in Statement of Profit or Loss		
(a) Current service cost	10.15	16.01
(b) Past service cost	-	6.86
(c) Interest income (net)	4.75	2.97
Amount charged to Profit or Loss	14.90	25.84
(V) Remeasurements recognised in Other Comprehensive Income		
(a) Actuarial gain / (loss) on defined benefit obligation	12.48	(6.33)
(b) Return on plan asset excluding interest income	1.40	1.05
Amount recognised in Other Comprehensive Income	13.88	(5.28)

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for the year ended March 31, 2019

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

(₹ in Mn)

	As at March 31, 2019	As at March 31, 2018
(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%	7.65%
(b) Future salary growth	4.00%	3.00%
(c) Retirement age (years)	58	58
(d) Withdrawal rates	9%	9%
(e) Mortality rate (% of IALM 06-08)	100%	100%

(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 March 31, 2019		As at March 31, 2018	
	Increase	Decrease	Increase	Decrease
(a) Discount rate (1% movement)	(6.41)	7.17	(5.77)	6.06
(b) Future salary growth (1% movement)	7.12	(6.46)	6.13	(5.90)
(c) Withdrawal assumption (1% movement)	1.17	(1.34)	5.14	(8.75)

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions as shown.

Expected cash flows over the next (Valued on undiscounted cash flows)

(₹ in Mn)

	As at March 31, 2019	As at March 31, 2018
1 year	14.07	12.92
2 to 5 years	56.17	52.00
6 to 10 years	48.73	43.24
More than 10 years	74.88	63.30

45. Segment information

A. Basis for segmentation

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group other components, and for which discrete financial information is available. All operating segments' operating results are reviewed regularly by the Company's Chief Operating Decision Maker (CODM) to make decisions about resources to be allocated to the segments and assess their performance.

The Group has two reportable segments, as described below, which is the Group's primary business segment. These business units are managed separately because they require different marketing strategies. For these business the Group (designation of the person who reviews) reviews internal management reports at quarterly basis.

Reportable segments	Operations
Express Distribution and Supply Chain	Covers integrated cargo services- Road, Rail ,Air transportation and supply chain solutions
Fuel Stations	Covers fuel stations dealing in petrol, diesel and lubricants, etc.
Others	Miscellaneous business comprising of less than 10% revenues.

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

45. Segment information (Contd..)

B. Information about reportable segments

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit (before tax), as included in the internal management reports that are reviewed by the Company's CODM. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segment pricing is determined on an arm's length basis.

Summary of Segment Information as at and for the year ended March 31, 2019 and March 31, 2018 is as follows:

	(₹ in Mn)	
	Year ended March 31, 2019	Year ended March 31, 2018
1. Segment Revenue (Net Sales / Income from each Segment)		
a) Express Distribution & Supply Chain	14,695.74	14,210.54
b) Fuel Sales	2,920.88	2,411.18
c) Other Sales	1,095.12	792.13
Total	18,711.74	17,413.85
Less: Inter Segment Revenue	(79.80)	(49.11)
Net Sales / Income from Operations	18,631.94	17,364.74
2. Segment Results (Profit (+) / Loss (-) before tax and interest from each Segment)		
a) Express Distribution & Supply Chain	726.76	1,178.26
b) Fuel Sales	75.77	66.60
c) Other Sales	4.83	4.64
Total	807.36	1,249.50
Less: Finance Cost	(452.72)	(469.51)
Profit before Exceptional Items and tax	354.64	780.00
Exceptional Items (Refer note.39)	-	(236.00)
Profit before tax	354.64	544.00
Less: Tax Expenses	124.31	152.93
Profit after Tax as per statement of profit and loss	230.33	391.07

	(₹ in Mn)	
	As at March 31, 2019	As at March 31, 2018
3. Segment Assets		
a) Express Distribution & Supply Chain	13,479.17	13,490.22
b) Fuel Sales	296.49	221.40
c) Other Sales	336.93	247.75
d) Unallocated	783.76	604.50
Total Assets	14,896.35	14,563.87
Segment Liabilities		
a) Express Distribution & Supply Chain	2,268.15	2,053.90
b) Fuel Sales	6.57	6.10
c) Other Sales	230.44	161.77
d) Unallocated	3,926.47	3,917.09
Total Liabilities	6,431.63	6,138.86
Capital Employed	8,464.72	8,425.01

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

Summary of Segment Information as at and for the year ended March 31, 2019 and March 31, 2018 is as follows: (Contd.)

4. Depreciation and amortization expense

(₹ in Mn)

	Year ended March 31, 2019	Year ended March 31, 2018
a) Express Distribution & Supply Chain	294.11	298.90
b) Fuel Sales	0.89	0.86
c) Other Sales	0.16	0.20
Total	295.15	299.96

5. Significant non - cash Expenditure

(₹ in Mn)

	Year ended March 31, 2019	Year ended March 31, 2018
a) Express Distribution & Supply Chain	16.64	53.08
b) Fuel Sales	-	-
c) Other Sales	1.25	-
Total	17.89	53.08

6. Capital Expenditure

(₹ in Mn)

	Year ended March 31, 2019	Year ended March 31, 2018
a) Express Distribution & Supply Chain	403.47	375.62
b) Fuel Sales	0.57	0.23
c) Other Sales	-	2.07
Total	404.04	377.92

C. Geographical information

(₹ in Mn)

	Year ended March 31, 2019	Year ended March 31, 2018
1. Revenue from External Customers		
a) India	18,058.49	16,619.15
b) International	573.45	745.59
Total	18,631.94	17,364.74

(₹ in Mn)

	As at March 31, 2019	As at March 31, 2018
2. Segment Non Current assets *		
a) India	10,349.89	10,262.21
b) International	0.62	0.63
Total Assets	10,350.51	10,262.84

* Non current asset are Excluding Investment, Non current tax assets, Deferred Tax asset.

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

46. Due to Micro enterprises and small enterprises

(₹ in Mn)

	As at March 31, 2019	As at March 31, 2018
(i) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of the accounting year :		
Principal amount due to micro and small enterprises	-	-
Interest due on above	-	-
Total		
(ii) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during the accounting year	-	-
(iii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006.	-	-
(iv) The amount of interest accrued and remaining unpaid at the end of the accounting year.	-	-
(v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006		

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. There is no dues unpaid to Micro and Small Enterprises as on March 31, 2019 (Previous year March 31, 2018)

47. Dividend

(₹ in Mn)

	Year ended March 31, 2019	Year ended March 31, 2018
Dividend on equity shares paid during the year including Tax	115.54	99.79
Final Dividend for the FY 2017-18 [₹ 0.90 (Previous year ₹ 0.80) per equity share of ₹ 2 each]		
	115.54	99.79

Proposed Dividend:

The Board of Directors at its meeting held on May 28, 2019 has recommended a payment of final dividend of ₹ 0.80 per equity share of face value of ₹ 2 each for the financial year ended March 31, 2019. The same amounts to ₹ 89.14 Mn (Including Dividend Distribution Tax amounts to ₹ 2.30 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 March 31, 2019

48. Financial instruments - fair values and risk management (Contd..)

A. Accounting classification and fair values (Contd..)

The following table shows the carrying amounts and fair values of financial assets and financial liabilities as at March 31, 2019, including their levels in the fair value hierarchy. (₹ in Mn)

Particulars	FVTPL		FVOCI		Carrying amount			Fair value		
			Other financial assets - amortised cost	Other financial liabilities - amortised cost	Total carrying amount	Level 1	Level 2	Level 3	Total	
Financial assets measured at fair value										
Investment in equity instruments	-	24.32	-	-	24.32	24.32	-	-	24.32	
	-	24.32	-	-	24.32	24.32	-	-	24.32	
Financial assets not measured at fair value										
Loans	-	-	116.48	-	116.48	-	-	-	-	
Other financial assets	-	-	451.95	-	451.95	-	-	-	-	
Trade receivables	-	-	2,389.31	-	2,389.31	-	-	-	-	
Cash and cash equivalents	-	-	173.75	-	173.75	-	-	-	-	
Other bank balances	-	-	303.53	-	303.53	-	-	-	-	
	-	-	3,435.02	-	3,435.02	-	-	-	-	
Financial liabilities not measured at fair value										
Borrowing	-	-	-	3,669.44	3,669.44	-	-	-	-	
Trade payables	-	-	-	1,490.46	1,490.46	-	-	-	-	
Other financial liabilities	-	-	-	818.28	818.28	-	-	-	-	
	-	-	-	5,978.18	5,978.18	-	-	-	-	

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

4.8. Financial instruments - fair values and risk management (Contd..)

A. Accounting classification and fair values (Contd..)

The following table shows the carrying amounts and fair values of financial assets and financial liabilities as at March 31, 2018, including their levels in the fair value hierarchy.

Particulars	Carrying amount				Fair value			
	FVTPL	FVOCI	Other financial		Level 1	Level 2	Level 3	Total
			assets - amortised cost	liabilities - amortised cost				
Financial assets measured at fair value								
Investment in equity instruments	0.18	41.55	-	-	41.55	41.73	0.18	41.73
	0.18	41.55			41.55	41.73	0.18	41.73
Financial assets not measured at fair value								
Loans	-	-	144.99	-	-	144.99	-	-
Other financial assets	-	-	43790	-	-	43790	-	-
Trade receivables	-	-	2,431.67	-	-	2,431.67	-	-
Cash and cash equivalents	-	-	191.11	-	-	191.11	-	-
Other bank balances	-	-	226.52	-	-	226.52	-	-
	-	-	3,432.19	-	-	3,432.19	-	-
Financial liabilities not measured at fair value								
Borrowing	-	-	-	3,657.38	-	3,657.38	-	-
Trade payables	-	-	-	1,239.91	-	1,239.91	-	-
Other financial liabilities	-	-	-	830.05	-	830.05	-	-
	-	-	-	5,727.34	-	5,727.34	-	-

(₹ in Mn)

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

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 loans have been contracted at market rates of interest. Accordingly, the carrying value of such loans approximate fair value.

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

ii. Level 1 fair values

The following table shows a reconciliation from the opening balance to the closing balance for Level 1 fair values.

	(₹ in Mn)
	FVOCI Equity instruments
Balance at March 31, 2017	42.77
Gain included in OCI	
Net change in fair value (unrealised)	(1.22)
Balance at March 31, 2018	41.55
Balance at March 31, 2018	41.55
Gain included in OCI	
Net change in fair value (unrealised)	(17.23)
Balance at March 31, 2019	24.32

C. Financial risk management

The Group's has exposure to the following risks arising from financial instruments:

- (i) Credit risk
- (ii) Liquidity risk
- (iii) Market risk

Risk management framework

The Group's principal financial liabilities includes borrowings, trade payable and other financial liabilities. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include trade receivables, cash and cash equivalents and other financial assets that derive directly from its operations. The Group's activities expose it to credit risk, liquidity risk and market risk. The Group's primary risk management focus is to minimise potential adverse effects of market risk on its financial performance. The Group's exposure to credit risk is influenced mainly by the individual characteristic of each customer and the concentration of risk from the top few customers. The Group's risk management assessment and policies and processes are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor such risks and compliance with the same. Risk assessment and management policies and processes are reviewed regularly to reflect changes in market conditions and the Group's activities.

(i) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and loans given. Credit risk arises from cash held with banks and financial institutions, as well as credit exposure to customers, including outstanding accounts receivables. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Group assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

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Trade receivables and loans

As per simplified approach, the Group's makes provision of expected credit losses on trade receivables using a provision matrix to mitigate the risk of default payments and makes appropriate provisions at each reporting date whenever is for longer period and involves higher risk. The Group's 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 :

(₹ in Mn)

	As at March 31, 2019	As at March 31, 2018
Trade Receivables (Gross)	2,630.82	2,734.23
Less: Expected Credit Loss	241.51	302.56
Trade Receivables (Net)	2,389.31	2,431.67

Reconciliation of Loss allowance provision (Trade Receivables)

(₹ in Mn)

	Amount
Loss Allowance on March 31, 2017	678.65
Change in Loss allowance	(376.09)
Loss Allowance in March 31, 2018	302.56
Change in Loss allowance	(61.05)
Loss Allowance in March 31, 2019	241.51

(ii) Liquidity risk

Liquidity risk is defined as the risk that the Group will not be able to settle or meet its obligations on time or at reasonable price. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of credit facilities to meet obligations when due. The Group's finance team is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Group's liquidity position through rolling forecasts on the basis of expected cash flows. Besides, it generally has certain undrawn credit facilities which can be accessed as and when required; such credit facilities are reviewed at regular intervals. Thus, no liquidity risk is perceived at present.

The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

(₹ in Mn)

March 31, 2019	Contractual cash flows				
	Carrying amount	Total	Less than 1 year	1 to 5 years	More than 5 years
Borrowings	3,669.44	3,669.44	1,982.59	1,669.45	174.0
Trade payables	1,490.46	1,490.46	1,490.46	-	-
Other financial liabilities	818.28	818.28	748.84	69.44	-
	5,978.18	5,978.18	4,221.89	1,738.89	174.0

(₹ in Mn)

March 31, 2018	Contractual cash flows				
	Carrying amount	Total	Less than 1 year	1 to 5 years	More than 5 years
Borrowings	3,657.38	3,657.38	1,496.87	2,151.66	8.85
Trade payables	1,239.91	1,239.91	1,239.91	-	-
Other financial liabilities	830.05	830.05	771.31	58.74	-
	5,727.34	5,727.34	3,508.09	2,210.40	8.85

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

(iii) Floating exchange rate and Interest risk:

Floating exchange rate

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 Group constantly monitors the credit markets and rebalances its financing strategies to achieve an optimal maturity profile and financing cost.

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

	(₹ in Mn)	
	Year ended March 31, 2019	Year ended March 31, 2018
Fixed rate instruments		
Financial assets	-	-
Financial liabilities		
Non-Convertible Debentures ("NCD"), Secured	772.87	713.68
Term Loan From Banks	319.81	153.80
Term Loan From Financial Institutions	254.83	248.40
Finance lease Obligation (Refer Note.22)	162.25	55.79
Deposits from Public	135.90	136.45
2% Compulsorily Convertible Cumulative Preference Shares	-	100.00
	1,645.66	1,408.12
Variable rate instruments		
Financial assets	-	-
Financial liabilities		
Term Loan From Banks	886.45	1,198.97
Cash Credit	1,137.33	1,050.28
	2,023.78	2,249.25

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	Effect on Profit before tax		Effect on total equity	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Variable rate instruments - increase by 100 basis points	20.24	22.49	20.24	22.49
Variable rate instruments - decrease by 100 basis points	(20.24)	(22.49)	(20.24)	(22.49)

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.

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

Equity risk

The Group's quoted equity instruments are susceptible to market price risk arising from uncertainties about future values of the investment securities. The reports on the equity portfolio are submitted to the Group's senior management on a regular basis. The senior management reviews and approves all equity investment decisions.

Sensitivity analysis

Investment in equity instruments of the Group's are listed on the Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) in India. The table below summaries the impact of increase/decrease of the Nifty 50 index on the Group's equity and profit for the period. The analysis is based on the assumption that the NSE nifty 50 equity index had increased/decreased by 10% with all other variables held constant, and that all the Group's equity instruments moved in line with the index.

Particulars	(₹ in Mn)			
	Effect on Profit before tax		Effect on total equity	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
NSE Nifty 50 - increase by 10% (March 31, 2018: 10%)	2.43	4.15	2.43	4.15
NSE Nifty 50 - decrease by 10% (March 31, 2018: 10%)	(2.43)	(4.15)	(2.43)	(4.15)

49. Capital management

The Group's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investors, creditors and market confidence and to sustain future development and growth of its business. In order to maintain the capital structure the Group monitors the return on capital, as well as the level of dividends to equity shareholders. The Group aims to manage its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to all its shareholders. For the purpose of the Group's capital management, capital includes issued capital and all other equity reserves attributable to the equity holders and debt includes borrowings.

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

Particulars	(₹ in Mn)	
	As at March 31, 2019	As at March 31, 2018
Total Borrowings (Including Current maturities)	3,669.44	3,657.38
Less:-		
Cash and cash equivalents	(173.75)	(191.11)
Bank Balances other than cash and cash equivalents	(303.53)	(226.52)
Net debt	3,192.16	3,239.74
Equity	7,244.26	7,284.77
Gearing ratio	0.44	0.44

50. EARNINGS PER SHARE

Particulars	(₹ in Mn)	
	As at March 31, 2019	As at March 31, 2018
Profit for the year	183.49	342.32
Weighted average number of shares outstanding (Nos.)	10,85,06,991	10,26,92,104
Diluted average number of shares outstanding (Nos.)	10,86,20,652	10,29,42,341
Basic Earnings Per Share (In ₹)	1.69	3.33
Diluted Earnings Per Share (In ₹)	1.69	3.33
Nominal value of shares outstanding (In ₹)	2	2

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

51. Related party disclosure

A. Names of related parties and related party relationship for the year ended March 31, 2019

- | | | | |
|-------------------------------------------------------------------|-----|----------------------------------------------------|----------------------------------------------------------------------------------------------------------------|
| i) List of Key Managerial Personnel (KMP) | 1. | Mr Mahendra Agarwal | - Founder & CEO |
| | 2. | Mr Manoj Gupta | - Chief Financial Officer
(Resigned w.e.f July 31, 2018) |
| | 3. | Mr Amit Pathak | - Company Secretary,
Chief Investor Relations &
Compliance Officer (Resigned
w.e.f December 31, 2018) |
| | 4. | Mr K L Chugh | - Chairman & Director |
| | 5. | Mr N Srinivasan | - Director |
| | 6. | Dr P S Reddy | - Director |
| | 7. | Mr Sunil Kumar Alagh | - Director |
| | 8. | Mr P N Shukla | - Director |
| | 9. | Mr Yasuhiro Kaneda | - Director |
| | 10. | Ms Sheela Bhide | - Director |
| | 11. | Mr. Bala Aghoramurthy | - Deputy Managing Director of
Subsidiary |
| ii) Relatives of Key Managerial Personnel | 1. | Mr.Manish Agarwal | |
| | 2. | Mr.Dhruv Agarwal | |
| iii) Entities in which KMP is having Significant influence | 1. | TCI Finance Ltd. | |
| | 2. | TCI Hi-ways Pvt. Ltd. | |
| | 3. | Amrit Jal Ventures Pvt Ltd. | |
| | 4. | Gati Academy | |
| | 5. | Gati infrastructure Sada Mangdar Power Pvt. Ltd. | |
| | 6. | Jaldi Traders & Commerce House Pvt. Ltd. | |
| | 7. | P D Agarwal Foundation | |
| | 8. | Gati Infrastructure Pvt Limited | |
| | 9. | Giri Road lines and Commercial Trading Pvt Limited | |
| | 10. | Share India | |
| | 11. | Solaflex Solar Energy Pvt Limited | |
| | 12. | Mandala Agribusiness Investments II Ltd | |
| | 13. | TCI Telenet Solutions Pvt Ltd | |
| | 14. | Kintentsu World Express (India) Pvt Limited | |
| iv) Associate | 1. | Gati Ship Ltd | |

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

B. Summary of the transactions with related parties :

(₹ in Mn)

SL. No	Nature of Transaction	Key Managerial Personnel & Relatives		Entities in which KMP is having Significant influence		Total	
		Year Ended	Year Ended	Year Ended	Year Ended	Year Ended	Year Ended
		March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
a) EXPENDITURE							
	Rent						
	TCI Finance Ltd	-	-	0.18	0.26	0.18	0.26
	Giri Roadlines & Commercial Trading Pvt Ltd	-	-	6.26	6.06	6.26	6.06
	Jaldi Traders & commerce house Pvt Ltd	-	-	14.86	14.30	14.86	14.30
	P.D.Agarwal Foundation	-	-	0.25	0.72	0.25	0.72
	TCI Telenet Solutions Pvt Ltd	-	-	3.60	3.60	3.60	3.60
	Mr. Manish Agarwal	-	1.35	-	-	-	1.35
	Freight Expenses						
	TCI Hi-Ways Pvt Ltd	-	-	45.13	78.13	45.13	78.13
	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	-	-	59.12	53.39	59.12	53.39
	Other expenses						
	Solaflex Solar Energy Pvt Limited	-	-	3.63	3.52	3.63	3.52
	Donation						
	Share India	-	-	3.60	3.60	3.60	3.60
	Remuneration						
	Mr. Mahendra Agarwal	33.33	31.89	-	-	33.33	31.89
	Mr. Manoj Kumar Gupta	4.72	12.45	-	-	4.72	12.45
	Mr. Bala Aghoramurthy	14.99	15.54	-	-	14.99	15.54
	Mr. Dhruv Agarwal	-	5.83	-	-	-	5.83
	Mr. Manish Agarwal	-	2.05	-	-	-	2.05
	Mr. Amit Pathak	2.65	3.33	-	-	2.65	3.33
	Directors Sitting Fee						
	Mr K L Chugh	0.48	0.27	-	-	0.48	0.27
	Mr N Srinivasan	0.59	0.37	-	-	0.59	0.37
	Mr P N Shukla	0.72	0.39	-	-	0.72	0.39
	Dr P S Reddy	0.40	0.19	-	-	0.40	0.19
	Ms Sheela Bhide	0.75	0.63	-	-	0.75	0.63
	Mr Sunil Kumar Alagh	0.32	0.17	-	-	0.32	0.17
	Others	0.79	0.64	-	-	0.79	0.64
	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	0.40	-	-	0.25	0.40
	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	0.25	-	-	0.25	0.25
	Others	-	0.50	-	-	-	0.50

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

B. Summary of the transactions with related parties : (Contd..)

(₹ in Mn)

SL. Nature of Transaction No	Key Managerial Personnel & Relatives		Entities in which KMP is having Significant influence		Total	
	Year Ended March 31, 2019	Year Ended March 31, 2018	Year Ended March 31, 2019	Year Ended March 31, 2018	Year Ended March 31, 2019	Year Ended March 31, 2018
	Manpower Expenses					
Gati Academy	-	-	103.55	130.41	103.55	130.41
b) INCOME						
Freight						
Kintentsu World Express (India) Pvt Limited	-	-	54.30	33.09	54.30	33.09
Warehouse Income						
Gati Academy	-	-	1.23	1.23	1.23	1.23
TCI Hi-ways Pvt Ltd	-	-	0.39	0.37	0.39	0.37
Kintentsu World Express (India) Pvt Limited	-	-	31.59	31.06	31.59	31.06
Fozal Power Pvt Limited	-	-	0.16	0.25	0.16	0.25
Interest						
Amrit Jal Ventures Pvt Ltd	-	-	-	50.13	-	50.13
Gati Infrastructure Sada Mangder Pvt Ltd	-	-	-	14.40	-	14.40
Solaflex Solar Energy Pvt Limited	-	-	0.55	0.55	0.55	0.55
Rent						
Gati Academy	-	-	0.53	0.53	0.53	0.53
TCI Finance Limited	-	-	0.24	0.24	0.24	0.24
TCI Hi-ways Pvt Ltd	-	-	0.07	0.06	0.07	0.06
Management Fee						
Gati Academy	-	-	0.84	0.84	0.84	0.84
Dividend paid						
Kintentsu World Express (India) Pvt. Ltd	-	-	4.96	5.92	4.96	5.92

C. Summary of the transactions with related parties :

(₹ in Mn)

SL. Nature of Transaction No	Associate		Entities in which KMP is having Significant influence		Total	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
	a) Trade Receivable					
Tci Hi-ways Pvt Ltd	-	-	0.08	0.04	0.08	0.04
Gati Academy	-	-	-	0.33	-	0.33
Fozal Power Pvt Limited	-	-	-	0.10	-	0.10
Kintentsu World Express (India) Pvt Limited	-	-	14.85	23.92	14.85	23.92
b) Other Receivable						
Amrit Jal Ventures Pvt Ltd	-	-	226.89	226.89	226.89	226.89
Gati Infrastructure Sada Mangder Pvt Ltd	-	-	53.35	53.35	53.35	53.35
Provision for Interest Receivable -Amrit Jal Ventures Pvt. Ltd	-	-	(226.89)	(226.89)	(226.89)	(226.89)
Provision for Interest Receivable- Gati Infrastructue Sada Mangder Pvt Ltd	-	-	(53.35)	(53.35)	(53.35)	(53.35)

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

C. Summary of the transactions with related parties :

(₹ in Mn)

SL. No	Nature of Transaction	Associate		Entities in which KMP is having Significant influence		Total	
		As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
	TCI Hi-ways Pvt Ltd	-	-	-	0.06	-	0.06
	Gati Academy	-	-	-	0.37	-	0.37
	TCI Finance Ltd	-	-	0.69	0.48	0.69	0.48
c)	Loans & Advances - Given						
	Jaldi Traders & Commerce House Pvt Ltd	-	-	57.04	66.64	57.04	66.64
	TCI Hi-ways Pvt Ltd	-	-	171.78	208.14	171.78	208.14
	Solaflex Solar Energy Pvt Limited	-	-	-	1.23	-	1.23
d)	Deposit (Given)						
	Solaflex Solar Energy Pvt Limited	-	-	6.82	7.57	6.82	7.57
	Jaldi Traders & Commerce House Pvt Ltd	-	-	12.12	15.87	12.12	15.87
	TCI Telenet Solutions Pvt Ltd	-	-	1.80	1.80	1.80	1.80
e)	Long term Borrowings						
	Mandala Agribusiness Investments II Ltd	-	-	778.44	720.78	778.44	720.78
f)	Trade Payables						
	Gati Ship Limited	-	25.70	-	-	-	25.70
	TCI Hi-ways Pvt Ltd	-	-	-	3.00	-	3.00
	Share India	-	-	0.30	0.30	0.30	0.30
	TCI Finance Ltd	-	-	-	0.10	-	0.10
	Giri Road lines and Commercial Trading Pvt Ltd	-	-	-	0.13	-	0.13
	Gati Academy	-	-	8.06	-	8.06	-
	Solaflex Solar Energy Pvt Limited	-	-	0.11	-	0.11	-
	Mr R Ramachandran	-	-	0.03	-	0.03	-
	Ms Sheela Bhide	-	-	0.03	-	0.03	-
g)	Deposit and Advance (Taken)						
	TCI Hi-ways Pvt Ltd	-	-	-	1.69	-	1.69
	Gati Academy	-	-	2.10	-	2.10	-
	P D Agarwal Foundation	-	-	25.00	25.00	25.00	25.00
h)	Corporate Guarantees given						
	Gati Infrastructure Pvt Limited	-	-	236.00	236.00	236.00	236.00
	Gati Infrastructure Pvt Ltd (Provision for Invocation of Corporate guarantee)	-	-	(236.00)	(236.00)	(236.00)	(236.00)

52. The value of company's investment in an associate had been fully provided in earlier years therefore the share of loss in that has not been considered in consolidated accounts .

53. Advance receivable includes ₹ 41 Mn due from Air India Limited. The matter was referred to the arbitral tribunal which passed an award dated September 17, 2013, directing Air India Limited to pay an amount of ₹ 266 Mn to the company along with interest @18 % per annum on the awarded amount. Air India filed an appeal before the Hon`ble High court at Delhi for setting aside of award , which directed Air India to deposit ₹ 225 Mn to the company. The matter being pending before the Division Bench of the said Hon`ble High Court at New Delhi, no adjustment is considered necessary by the management and the dues from Air India limited of ₹ 41 Mn included in advances receivable is considered good for recovery by the management.

54. During the period, Income Tax Appellate Tribunal (ITAT) has dismissed an appeal filed by the company against order of Principal Commissioner of Income Tax passed u/s. 263 for disallowance of capital loss on sale of investments u/s 115JB of the Income Tax Act, 1961 relating to financial year 2012-13. Against tax demand of ₹ 211.10 Mn related to Financial year 2012-13 has been confirmed by Income Tax Appellate Tribunal (ITAT) and the matter is pending before Hon'ble High Court, Telangana for admission. According to legal opinion the demand is not sustainable and hence no provision for the demand is presently considered necessary. The same has been disclosed as a contingent Liability under note 41(l).

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

- 55.** The Group had given operational advances to few parties aggregating ₹ 274.70 Mn in earlier years which is long over due. The Group has initiated recovery of such overdue advances against which ₹ 45.90 Mn has been recovered during the year. The management is hopeful of recovering the balance outstanding amount of ₹ 228.80 Mn over a period of time and in its opinion, provision is not required in the books of accounts.
- 56.** The Group has recovered ₹ 29.10 Mn from an associate which has been adjusted against special reserve in an earlier year. This amount was not credited back to special reserve account as the Scheme of Arrangement did not contemplate any accretion to special reserve account.
- 57.** During the year ended March 31, 2018, management of Gati Kausar India Limited (GKIL) 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 GKIL 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 GKIL.
- 58.** The excess remuneration paid to Executive Chairman of subsidiary (Gati-Kintetsu Express Private limited) for the year ended March 31, 2019 of ₹ 10.6 Mn is subject to approval of members of the company, under section 197 of the Companies Act, 2013. The excess managerial remuneration paid to the Executive Chairman of a subsidiary pertaining to the financial year 2016-17 and 2017-18 amounting to ₹ 7.8 Mn and ₹ 6.3 Mn respectively has not been approved by the Shareholders. Accordingly, the same has been reversed in books and the amount is shown as recoverable from the Whole Time Director.
- 59.** Gati Kausar India Limited (GKIL) has incurred a loss of ₹ 170.97 Mn during the year ended March 31, 2019 and as of that date, the accumulated losses aggregating to ₹ 782.75 Mn has resulted in complete erosion of its net worth. Also, its current liabilities exceeded its current assets by ₹ 338.71 Mn as at that date. These events cast significant doubt on the Company's ability to continue as a going concern and therefore, the GKIL may be unable to realize its assets and discharge its liabilities in the normal course of business. To address this and improve upon its operating and financial performance, the key shareholders along with the management of the GKIL is in the process of implementing a resolution plan by focusing on number of measures viz;- (i) operational improvements through revenue enhancement; (ii) balance sheet restructuring to ensure solvency through sustainable cash flows. Based on the foregoing and management's assessment regarding the favorable outcome of the ongoing negotiations in relation to the unpaid commitment fee as detailed in note 57 above, management believes that the GKIL will be able to realize the assets and discharge its liabilities as recorded in these financial statements in the normal course of operations. Accordingly, the accompanying financial statements of the GKIL have been prepared considering going concern basis of accounting.
- 60.** With the disinvestment of our entire shareholding in the subsidiary GATI (Thailand) Limited it has ceased to be fellow subsidiary of the company w.e.f 1.04.2018. Due to cessation of subsidiaries previous year figures of Consolidated Statement of Profit and Loss are not comparable with the current year to the extent of cessation of subsidiaries.
- 61.** The position of Chief financial officer i.e CFO fell vacant from July 31, 2018 to May 27, 2019 and was not filled up during the year. The new CFO was appointed by the company w.e.f May 28, 2019. The financial statements have not been signed by the company secretary which position fell vacant on December 31, 2018 and as successor so far has not been appointed.

62. The Subsidiary Companies considered in the Financial Statements are as follows:

(₹ in Mn)

Sl. No.	Name of the subsidiary	Country of Incorporation	% Voting Power as at 31st March, 2019	% Voting Power as at 31st March, 2018
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%
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%

* With the disinvestment of our entire shareholding in the subsidiary GATI (Thailand) Limited it has ceased to be fellow subsidiary of the company w.e.f 01.04.2018

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

63. Additional Information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiaries/ Associate

Name of the Enterprise	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	
Parent								
Gati Limited	90.64%	7,672.50	132.18%	242.53	65%	(18.71)	145%	223.82
Subsidiaries								
Indian								
1. Gati-Kintetsu Express Pvt. Ltd.	43.37%	3,671.04	14.721%	270.11	24%	(6.89)	170%	263.22
2. Gati Kausar India Ltd.	-3.75%	(317.56)	-93.18%	(170.97)	6%	(1.85)	-112%	(172.82)
3. Gati Import Export Trading Ltd.	0.60%	50.40	1.51%	2.77	0%	-	2%	2.77
4. Zen Cargo Movers Pvt. Ltd.	-0.04%	(3.24)	0.36%	0.67	0%	-	0%	0.67
5. Gati Logistics Parks Pvt. Ltd.	0.02%	1.77	-10.72%	(19.66)	0%	-	-13%	(19.66)
6. Gati Projects Pvt. Ltd.	0.00%	0.10	0.00%	-	-	-	-	-
Foreign								
1. Gati Asia Pacific Pte Ltd.	0.64%	53.83	-3.36%	(6.16)	14%	(3.95)	-7%	(10.12)
Sub total								
Inter company Elimination and consolidation adjustment	-45.89%	11,128.84 (3,884.58)	-48.48%	(88.96)	0%	(31.40)	-58%	287.88 (88.96)
Total		7,244.26		230.33		(31.40)		198.92
Minority interest in all subsidiaries	14.42%	1,220.46	-25.53%	(46.84)	-8%	2.44	-29%	(44.40)
Grand total	100.00%	8,464.72	100.00%	183.49	100%	(28.96)	100%	154.52

(₹ in Mn)

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

64. Employee share-based payment:

Details of grants under various series are summarised below

Sl. No.	Description	Year ended March 31, 2019			Year ended March 31, 2018		
		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					

Sl. No.	Description	Year ended March 31, 2019			Year ended March 31, 2018		
		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	5,90,988	9,59,050	Nil	5,49,893	9,30,350
2	Number of options granted during the year	Nil	Nil	Nil	Nil	Nil	Nil
3	Number of options forfeited/lapsed during the year	Nil	64,000	6,150	Nil	41,095	28,700
4	Number of options vested during the year	Nil	1,09,500	1,84,992	Nil	Nil	2,90,516
5	Number of options exercised during the year	Nil	87,000	1,78,842	Nil	Nil	2,90,516
6	Number of shares arising as a result of exercise of options	Nil	87,000	1,08,342	Nil	Nil	2,90,516
7	Amount realized by exercise of options (₹)	Nil	75,80,310	49,40,395	Nil	Nil	1,73,17,134
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	6,54,988	9,65,200	Nil	5,90,988	9,59,050
10	Number of options exercisable at the end of the year (out of total number of options approved under ESOS)	Nil	2,42,905	16,095	Nil	3,93,905	2,01,087

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

64. Employee share -based payment: (Contd..)

Details of grants under various series are summarised below

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	695	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						
14 The main assumptions used in the Black Scholes option-pricing model during the year were as follows:						
(i) Weighted average values of share price	Refer point no. 11					Refer point no. 11
(ii) exercise price	Refer point no.11					Refer point no.11
(iii) Risk free interest rate	8%					8.00%
(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 March 31, 2019

65. 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

66. The financial statements are approved for issue by the Audit Committee and by Board of Directors at its meeting held on May 28, 2019.

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

As per our report of even date

For Singhi & Co.

Chartered Accountants

Firm Registration No: 302049E

Anurag Singhi

Partner

Membership no: 066274

Place: Kolkata

Date: May 28, 2019

For and on behalf of the Board of Directors

K L Chugh

Chairman

DIN: 00140124

Mahendra Agarwal

Founder & CEO

DIN: 00179779

N Srinivasan

Director

DIN: 00004195

Peter H Jayakumar

Chief Financial Officer

Place: Hyderabad

Date: May 28, 2019

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

Statement containing salient features of the financial statements of subsidiaries/ associate companies/ joint ventures

PART "A": SUBSIDIARIES

S I . 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	% of shareholding
1	Gati Asia Pacific Pte Ltd.	April-March	SGD = INR 51.1243	453.26	(441.25)	13.14	1.13	-	14.09	12.29	-	12.29	-	100% held by Parent
2	Gati Hong Kong Ltd.	April-March	HKD = SGD 0.17267	30.41	(30.90)	3.66	4.15	-	2.11	(0.11)	-	(0.11)	-	100% held by Parent
3	Gati Cargo Express (Shanghai) Co. Ltd.	April-March	RMB = SGD 0.20195	96.68	(34.23)	103.80	41.35	-	579.13	(20.14)	-	(20.14)	-	100% held by Parent
4	Gati-Kintetsu Express Pvt. Ltd.	April-March	INR	5.00	3,666.04	7,082.53	3,411.49	-	12,335.20	381.38	111.27	270.11	-	70% held by Parent
5	Gati Kausar India Ltd.	April-March	INR	65.26	(382.82)	639.70	957.26	-	442.20	(170.97)	-	(170.97)	-	79.86% held by Parent
6	Gati Import Export Trading Ltd.	April-March	INR	23.00	27.40	337.87	287.47	-	1,097.32	2.71	(0.06)	2.77	-	100% held by Parent
7	Zen Cargo Movers Pvt Ltd.	April-March	INR	3.62	(6.86)	4.33	7.56	-	8.34	0.76	0.09	0.67	-	100% held by Parent
8	Gati Logistics Parks Pvt. Ltd.	April-March	INR	0.10	1.67	200.24	198.47	-	-	(19.66)	-	(19.66)	-	100% held by Parent
9	Gati Projects Pvt. Ltd.	April-March	INR	0.10	-	0.29	0.19	-	-	-	-	-	-	100% held by Parent

1. Names of the subsidiaries which are yet to commence operations

S I . Name of the companies

No.

- Gati Logistics Parks Pvt. Ltd.
- Gati Projects Pvt. Ltd.

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

Statement containing salient features of the financial statements of subsidiaries/ associate companies/ joint ventures(Contd..)

PART "B": ASSOCIATES AND JOINT VENTURES

(₹ in Mn)

S I. No.	Name of the Associate/ Joint Venture	Latest audited Balance Sheet date	Shares of Associate/ Joint Ventures held by the company on the year end	No. of shares	Amount of Investment	Extent of holding %	Description of how there is a significant influence	Reason why the associate/joint venture is not consolidated	Network 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.	March 31, 2019	48,00,000	48,00,000	86,23,00,000	4.795%	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 May 16, 2014. Hence the same is not considered in consolidation.	1,12,83,078	-	(1,15,76,427)	

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

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.

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 24th Annual General Meeting of the Company, to be held on Wednesday, September 25, 2019, at 12:00 Noon 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, 2019, 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, 2019 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			
6 (i) Appointment of Mr. Sushil Jiwarajka (holding DIN: 00016680) as an Independent Director of the Company.			
(ii) Appointment of Dr. Savita Date Menon (holding DIN: 08528271) as an Independent Director of the Company			
7 (i) To re-appoint Mr. KL Chugh as an Independent Director for a second term of two consecutive years.			
(ii) To re-appoint Dr. PS. Reddy as an Independent Director for a second term of two consecutive years.			
(iii) To re-appoint Mr. N. Srinivasan as an Independent Director for a second term of two consecutive years.			
(iv) To re-appoint Mr. Sunil Kumar Alagh as an Independent Director for a second term of two consecutive years.			
v) To re-appoint Mr. P.N. Shukla as an Independent Director for a second term of two consecutive years.			

Signed this.....day of.....2019

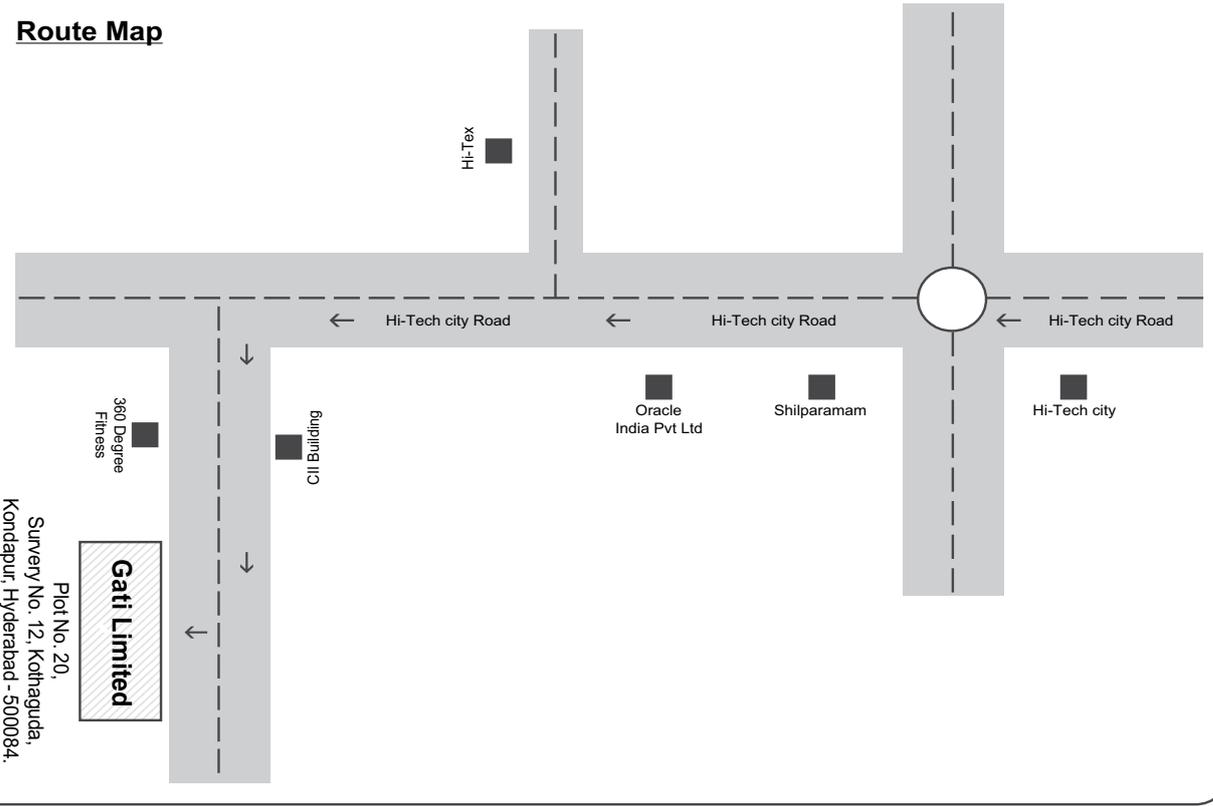
Affix
Revenue
Stamp

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.

Route Map



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

Gati Limited



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

