



INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF GATI IMPORT EXPORT TRADING LIMITED

Report on Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **GATI IMPORT EXPORT TRADING LIMITED** (the 'Company'), which comprise the balance sheet as at 31st March 2021, the statement of Profit and Loss including Other Comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information here in after referred to as "the financial statements".

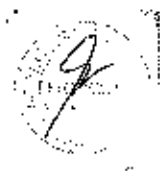
In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally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

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under the section 143(10) of the Act. Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the 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 financial statements under the provisions of the Act and the Rules issued there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

The financial statements of the company for the year ended 31st March, 2020 were audited by another auditor who expressed unmodified opinion on those statements on 4th June 2020.



Laxminiwas & Co.
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BANGALURU | MYSORE | KAZAS | CHENNAI | MUMBAI | DELHI | DUBAI

Other Information:

The Company's Board of Directors is responsible for the preparation of other information. The other information comprises the information included in the Director's Report, but does not include the financial statements and our auditor's report thereon. Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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.

Responsibilities of Management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, 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. The responsibility also includes maintenance of the adequate accounting records for safeguarding assets of the company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors of the company 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.

The Board of Directors of the company are responsible for overseeing the financial reporting process of the company.

Auditor's Responsibility for Audit of Financial Statements:

Our objectives are to obtain reasonable assurance about whether the financial statements 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 based on these financial statements.

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

We also:


1. Identify and assess the risks of material misstatement of the 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.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. 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 entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, then we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, then 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 entity to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors, 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 the Board of Directors 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.

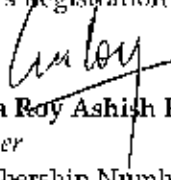
Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account;



- d) In our opinion, the aforesaid financial statements comply with the Indian Accounting standards specified under Section 133 of the Act, read with relevant rules issued there under.
- e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;
- f) 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, in our opinion and to the best of our information and according to the explanations given to us:
- i) There are no pending litigations on or by the company, the impact of which needs to be disclosed in financial statement.
 - ii) The Company does not have any long-term contracts, including derivative contracts, for which there were any material foreseeable losses; and
 - iii) There was not amount required to be transferred to the Investor Education and Protection Fund during the year ended 31st March 2021.
2. 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 Companies Act, 2013, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order.
3. With respect to the adequacy of the internal Financial Control over financial reporting of company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".

For Laxminivas & Co.
Chartered Accountants
Firm's Registration Number: 0111685


Guha Roy Ashish Kumar
Partner
Membership Number: 018659
UDIN: 21018659AAAABC3784



Hyderabad
Date: 4th August 2021.

Annexure A to the Auditors' Report

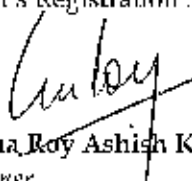
(Referred to in paragraph 2 under 'Report on other legal and regulatory requirements' section of our report to the Members of Gati Import Export Trading Limited of even date)

- (i). According to the information and explanations given to us, the company does not have any fixed assets as on 31st March 2021. Accordingly, Para 3 (i) (a) and (b) of the order are not applicable.
- (ii). According to the information and explanations given to us, the management has conducted physical verification of the inventories at reasonable intervals and no material discrepancies were noticed.
- (iii). According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, para 3(iii) (a), (b) and (c) of the order are not applicable.
- (iv). In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities granted in respect of which provisions of section 185 and 186 of the Companies Act, 2013 are applicable and hence not commented upon.
- (v). In our opinion and according to the information and explanations given to us, the company has not accepted any deposits from the public within the meaning of Section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under.
- (vi). The maintenance of cost records as prescribed by the central government under Section 148(1) of the Companies Act, 2013 is not applicable, for the services rendered by the company and accordingly clause VI of para 3 of the order is not applicable to the company.
- (vii).
 - a) According to the information and explanations given to us and the records of the Company examined by us, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Income tax, Sales tax, Service tax, Goods and Service Tax and any other statutory dues applicable to it as on 31 March 2021. According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, sales tax, service tax, Goods and Service Tax and other material statutory dues were in arrears as at 31 March 2021 for a period of more than six months from the date they became payable.
 - b) According to the information and explanations given to us, there are no dues of Income tax, Sales tax, Service tax, and Goods and Service Tax which have not been deposited with the appropriate authorities on account of any dispute.
- (viii). The Company has not taken any loans or borrowings from financial institutions, banks and governments or has not issued any debentures. Hence reporting under clause 3(viii) of the Order is not applicable to the Company.
- (ix). In our opinion and according to the information and explanations given to us, the company has not raised moneys by way of initial public offer or further public issue (including debt

instruments) or term loans and hence reporting under clause 3 (ix) of the order is not applicable.

- (x). According to the information and explanations given to us, no material 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). In our opinion and according to the information and explanations given to us, 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 financial statements as required by the applicable accounting standards.
- (xiv). According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv). According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi). The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Laxminivas & Co.
Chartered Accountants
Firm's Registration Number: 0111685


Guha Roy Ashish Kumar
Partner
Membership Number: 018659
UDIN: 21018659AAAABC3784



Hyderabad
Date: 4th August 2021

Annexure - B to the Auditors' Report

Referred to in paragraph 3 under "Report on other Legal and Regulatory Requirements section of our report to the members of Gati Import Export Trading Limited of even date)

Report on the Internal Financial Controls 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 Import Export Trading Limited** ("the Company") as of 31st March 2021 in conjunction with our audit of the Standalone financial statements of the Company for the year ended on that date.

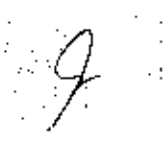
Management's Responsibility for Internal Financial Controls

The Board of directors of the company 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") and issued by 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 Standalone 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 internal financial controls system over financial reporting of the Company.

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 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 Standalone financial statements.

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.

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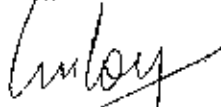
Opinion

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 controls over financial reporting were operating effectively as at 31st March, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Laxminiwas & Co.

Chartered Accountants

Firm's Registration Number: 011168S



Guha Roy Ashish Kumar

Partner

Membership Number: 018659

UDIN: 21018659AAAABC3784



Hyderabad

Date: 4th August 2021

GATI IMPORT EXPORT TRADING LIMITED
AUDITED BALANCE SHEET AS AT 31ST MARCH, 2021

Amount in ₹

Particulars	Note	As at March 31, 2021	As at March 31, 2020
Assets			
Non-Current Assets			
Property, Plant & Equipment	4A	-	4,35,75,000
Intangible Assets	4B	1,20,249	2,80,593
Financial Assets			
Security Deposits	5	46,272	46,272
Deferred Tax asset (Net)	6	5,12,369	4,76,309
Other Non Current Tax Assets	7	1,61,541	25,00,000
Total Non-Current Assets		8,40,431	4,68,78,174
Current Assets			
Inventories	8	43,30,612	7,44,82,175
Financial Assets			
Trade Receivables	9	8,01,164	16,51,97,876
Cash & Cash Equivalents	10	1,87,70,913	2,30,06,618
Other Current Financial Assets	11	87,650	39,061
Other Current Assets	12	72,89,640	2,19,30,376
Asset Classified - Held for Sale	13	1,97,60,000	
Total Current Assets		5,10,39,979	28,46,56,107
Total Assets		5,18,80,410	33,15,34,281
Equity & Liabilities			
Equity			
Equity Share Capital	14	2,30,00,000	2,30,00,000
Other Equity	15	(1,20,30,828)	3,35,89,059
Total Equity		1,09,69,172	5,65,89,059
Liabilities			
Current Liabilities			
Financial Liabilities			
Borrowings	16	-	3,41,09,043
Trade Payables	17	3,20,00,167	23,51,42,376
Other Financial Liabilities	18	89,11,071	28,73,761
Other Current Liabilities	19	-	4,27,447
Current Tax Liabilities (Net)	20	-	23,92,595
Total Liabilities		4,09,11,238	27,49,45,222
Total Equity & Liabilities		5,18,80,410	33,15,34,281
The Notes form an Integral part of these Financial Statements	1 - 37		

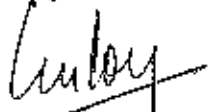
In terms of our Report of even date

For and on behalf of the Board

For Laxminaras & Co.

Chartered Accountants

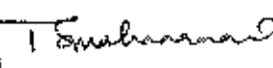
Firm Regn No. 0111685


Guharoy Ashish Kumar
 Partner

Membership No.- 018659
 Place: Hyderabad

Date: 4 Aug 2021




 S Maharani

Director
 DIN: 07017023



P S MOHENDRA
 Director
 DIN: 08956946

GATI IMPORT EXPORT TRADING LIMITED

Amount in ₹

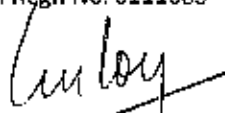
STATEMENT OF AUDITED PROFIT AND LOSS FOR THE PERIOD ENDED MARCH 31, 2021

Particulars	Note	Year ended March 31, 2021	Year ended March 31, 2020
REVENUE :			
Revenue from operations	21	5,48,18,225	1,19,03,33,748
Other Income	22	6,66,442	11,03,235
Total Revenue		5,54,84,667	1,19,14,36,983
EXPENSES :			
Purchases of Stock in trade	23	99,09,227	1,05,49,15,140
Changes in inventories of Stock-In-Trade	24	4,63,98,037	1,55,88,862
Operating Expenses	25	54,17,131	9,11,36,113
Employee benefits expense	26	21,87,933	93,31,952
Finance Costs	27	3,67,463	20,25,071
Depreciation and Amortization Expenses	28	1,60,344	1,60,344
Other Expenses	29	1,28,85,479	91,95,460
Total Expense		7,73,25,614	1,18,23,52,942
Profit Before Tax and Exceptional Items		(2,18,40,947)	90,84,041
Exceptional Items	30	(2,38,15,000)	-
Profit Before Tax		(4,56,55,947)	90,84,041
Tax Expense:			
Current tax		-	24,60,000
MAT Credit			
Taxes for Earlier Years		-	4,72,967
Deferred tax		(36,060)	(41,789)
Total Tax Expenses		(36,060)	28,91,178
Profit for the year		(4,56,19,887)	61,92,863
Other Comprehensive Income		-	-
Total Comprehensive Income for the year		(4,56,19,887)	61,92,863
Earnings per share of Rs 10 each:			
Basic & Diluted	31	(19.83)	2.69
The Notes form an integral part of these Financial Statements	1 - 37		

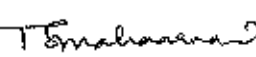
In terms of our report of even date

For and on behalf of the Board

For Lakshminivas & Co.
Chartered Accountants
Firm Regn No. 0111685


Guharoy Ashish Kumar
Partner
Membership No.- 018659
Place: Hyderabad
Date: 12 Aug, 2021




T S Maharani
Director
DIN: 07017023


P S MOHENDRA
Director
DIN: 08956946

GATI IMPORT EXPORT TRADING LIMITED

Statement of audited cash flows for the period ended 31st March, 2021

Amount in ₹

PARTICULARS	31st March, 2021	31st March, 2020
CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/ (Loss) after tax as per Statement of Profit and Loss	(4,56,19,887)	61,92,863
Add: Provision for current tax and deferred tax	(36,060)	28,91,178
Net profit/(Loss) before taxation	(4,56,55,947)	90,84,041
Add: Adjustment for Non-Cash and Non-Operating Items:		
Depreciation	1,60,344	1,60,344.00
Impairment Allowances On Land Revaluation	2,38,15,000	-
Finance Cost	3,67,463	20,25,071.00
Operating profits/ (Loss) before working capital changes	(2,13,13,140)	1,12,69,456
Changes in Working Capital		
Current Assets :		
(Increase)/Decrease in Sundry debtors	16,43,96,712	1,05,18,747
(Increase)/Decrease in Inventories	7,01,51,563	1,55,88,862
(Increase)/Decrease in Other current Financial Assets	(48,589)	95,800
(Increase)/Decrease in Other current Tax Assets	(36,060)	4,08,798
(Increase)/Decrease in Other current Assets	1,46,40,737	4,76,451
Current Liabilities :		
Increase/(Decrease) in Other Current Liabilities	(4,27,447)	(2,06,354)
Increase/(Decrease) in Other Current Tax Liabilities	(23,92,595)	19,83,002
Increase/(Decrease) in Other Financial Liabilities	60,37,309	(49,211)
Increase/(Decrease) in Trade payables	(20,31,42,208)	(2,37,92,130)
Cash generated from operations	2,78,66,282	1,62,93,421
Taxes Paid (Net of Refund)	(23,74,519)	53,91,178
Net Cash flow from Operating Activities (A)	3,02,40,801	1,09,02,243
CASH FLOW FROM INVESTING ACTIVITIES		
Net Cash from Investing Activities (B)		
CASH FLOW FROM FINANCING ACTIVITIES		
Increase/(Decrease) in Short term Borrowings	(3,41,09,043)	95,36,812
Finance Cost	(3,67,463)	(20,25,071)
Net Cash from Financing Activities (C)	(3,44,76,506)	75,11,741
Net increase / (Decrease) in Cash and Cash equivalents [(A)+(B)+(C)]	(42,35,706)	1,84,13,985
Cash and Cash equivalents in the beginning of the year	2,30,06,619	45,92,634
Cash and Cash equivalents in the end of the year	1,87,70,913	2,30,06,619

Notes :

1. Cash flow statement has been prepared under the indirect method as set out Indian Accounting standard - 7 "Statement of Cash Flow"
 2. Previous year figures have been regrouped / reclassified, where ever necessary.
- The Notes form an integral part of these Financial Statements

In terms of our report of even date

For and on behalf of the Board

For Laxminivas & Co.

Chartered Accountants

Firm Regn No: 011168S

Guharoy
Guharoy Ashish Kumar
Partner

Membership No.- 018659

Place: Hyderabad

Date: 4 Aug 2021



T S Maharanil
T S Maharanil
Director
DIN: 07017023

P S MOHENDRA
P S MOHENDRA
Director
DIN: 08956946

GATI IMPORT EXPORT TRADING LIMITED

CIN: U60232TG2008PLC057692

Statement of Changes in Equity for the Year ended March 31, 2021

Amount in ₹

A) Equity Share Capital

Balance as at 1st April, 2019	2,30,00,000.00
Add/(Less): Changes in Equity Share Capital during the year	-
Balance at March 31, 2020	2,30,00,000.00
Add/(Less): Changes in Equity Share Capital during the year	-
Balance at March 31, 2021	2,30,00,000.00

B) Other Equity

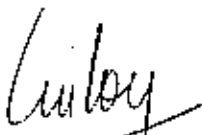
Particulars	Retained Earnings (Net of Deferred Tax)	Total
Balance at April 1, 2019	2,73,96,196	2,73,96,196
Profit for the year	61,92,863	61,92,863
Remeasurement Gain/(Loss)(Net of Deferred Tax)	-	-
Balance at March 31, 2020	3,35,89,059	3,35,89,059
Profit for the year	-4,56,19,887	-4,56,19,887
Balance at March 31, 2021	-1,20,30,828	-1,20,30,828

The accompanying notes form an integral part of these financial statement

In terms of our Report of even date

For and on behalf of the Board

For Laxminivas & Co.
Chartered Accountants
Firm Regn No. 011168S



Guharoy Ashish Kumar
Partner
Membership No.- 018659
Place: Hyderabad
Date: 4-Aug, 2021




T S Maharani
Director
DIN: 07017023



P S MOHENDRA
Director
DIN: 08956946

GATI IMPORT EXPORT TRADING LIMITED
SIGNIFICANT ACCOUNTING POLICIES

1. Corporate and general information:

Gati Import Export Trading Limited ("the Company") is a public limited company incorporated in 2008, having its registered office at Plot No.20, Survey No.12, Kothaguda, Kondapur, Hyderabad - 500084 Telangana, India. And it is a 100% subsidiary Gati Limited, A listed entity. The company is primarily engaged in the Trading of Food, Non-food, Pulses, Watch Movements, Cosmetics, Automobile spares & Electronic goods. & such Other Products.

2. Basis of Accounting:

i. Statement of Compliance

These financial statements have been prepared in accordance with the Indian Accounting Standards ("Ind AS") as prescribed by Ministry of Corporate affairs pursuant to Section 133 of the Companies Act, 2013 (the Act), read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and other relevant provisions of the Act and other accounting principles generally accepted in India.

The financial statements of the Company for the year ended 31st March, 2021 have been approved by the Board of Directors in their meeting held on 4th Aug, 2021.

ii. Functional and Presentation Currency

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

iii. Use of Estimates and Judgements

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

Critical accounting estimates and judgments are as:

- Recognition of current tax and deferred tax
- Recognition and measurement of provisions and contingencies
- Fair value measurement of Financial instruments

iv. 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



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

All the other assets are classified as non-current.

A liability is current when:

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

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

v. Recent accounting pronouncements - Standard issued but not yet effective

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

3. Significant Accounting Policies

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

i. Property, plant and equipment

➤ **Recognition and Measurement**

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

➤ **Non-current assets held for sale**

- Non-current assets held for sale are presented separately in the Balance Sheet when the following criteria are met
 - the Company is committed to selling the assets;
 - the assets are available for sale immediately;
 - an active plan of sale has commenced; and
 - sale is expected to be completed within 12 months.

Assets held for sale and disposal groups are measured at the lower of their carrying



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amount and fair value less cost to sell. Assets held for sale are no longer amortised or depreciated.

➤ **Subsequent Expenditure**

- Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the cost incurred will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced.
- Items such as spare parts, stand by 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 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.
- Freehold land is not depreciated.
- 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).

➤ **Disposal of Assets**

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

ii. 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.

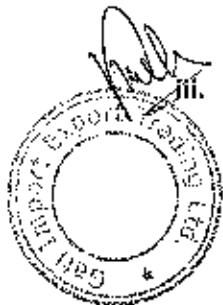
The carrying amount of the intangible asset is derecognized on disposal or when no future economic benefit is expected from its use. Any gain or loss is recognised in the statement of Profit and loss

iii. Ind AS 116 Leases

On 30 March 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The company doesn't have any material impact as per Ind AS 116 as there are no right of use assets and lease liabilities to be disclose.

iv. Foreign currency Transactions

- The financial statements are presented in Indian Rupee (INR), which is the functional and presentation currency of the Company.
- Transactions denominated in foreign currencies are recorded at the exchange rate prevailing at the date of the transaction.
- At each balance sheet date, foreign currency monetary items are restated using the closing exchange rate.



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- 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.
- 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.

v. 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.

vi. Revenue Recognition

Effective April 01, 2018, the Company has adopted Ind AS 115 "Revenue from contracts with customers" the application of Ind AS 115 did not have any material impact on the financial statements.

Revenue is recognized when it is probable that economic benefits associated with the transaction flows to the Company in the ordinary course of its activities and the amount of revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates allowed by the Company.

➤ *Sale of product:*

Revenue from sale of products is recognized when the Company transfers all significant risks and rewards of ownership to the buyer, while the Company retains neither continuing managerial involvement nor effective control over the products sold.

➤ *Interest Income:*

Interest income is recognised using the effective interest rate method.

vii. 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

➤ **Financial assets**

➤ *Initial recognition and measurement*

On initial recognition, a financial asset is classified and measured at:

- Amortised Cost; or
- Fair value through Other Comprehensive Income (FVOCI); or
- Fair value through Profit or loss (FVTPL)

a. *Financial assets at amortised cost*

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- (a) The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- (b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.



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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.

b. Financial assets at fair value through other comprehensive income (FVOCI)

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI-equity investment). This election is made on an investment-by-investment basis.

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

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

Financial assets included within the FVOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI)

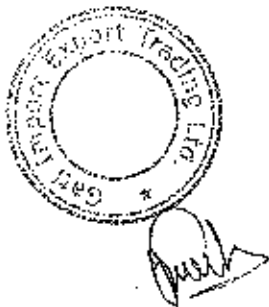
c. Financial assets at fair value through profit or loss (FVTPL)

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.

➤ **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.



➤ **Financial Liability**

Financial liabilities are classified and measured at amortised cost or FVTPL

➤ **Initial Recognition & Subsequent measurement**

a. 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.

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Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in Statement of Profit and Loss.

b. 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.

➤ **Derecognition**

➤ **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.

➤ **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.

viii. **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



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- 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.

ix. Employee benefits

➤ 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.

➤ 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.

x. Income taxes

Income tax expense comprises of current and deferred tax. It is recognised in the Statement of Profit and Loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI

➤ Current tax

Current tax comprises of the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

➤ Deferred Tax Asset

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes (tax base). Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for:

- Temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- Temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the



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reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

- Taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognizes a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised.

Deferred tax assets – unrecognized or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised. Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. Deferred tax assets and liabilities are offset only if:

- The entity has a legally enforceable right to set off current tax assets against current tax liabilities; and
- The deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

xi. 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.

xii. Provisions and Contingencies

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

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.

xiii. 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



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

xiv. **Earnings per share**

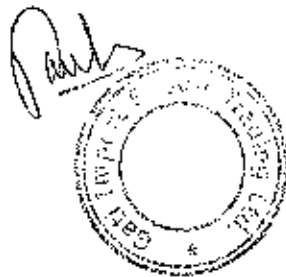
➤ **Basic earnings per share**

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

➤ **Diluted earnings per share**

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

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



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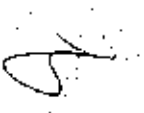
GATI IMPORT EXPORT TRADING LIMITED

4A. Property, Plant & Equipment

Particulars	GROSS BLOCK (At Cost)						NET BLOCK		Amount in ₹
	Opening Balance as at April 1, 2020	Additions	Reclassified to Assets held for sale	Disposals	Balance as at March 31, 2021	Opening Balance as at April 1, 2020	Charge for the year	Balance as at March 31, 2021	
Free Hold Land	4,35,75,000	-	4,35,75,000	-	-	-	-	-	4,35,75,000
Computers	29,166	-	-	-	29,166	29,166	-	29,166	-
Total	4,36,04,166	-	-	-	29,166	29,166	-	29,166	4,35,75,000

a) Refer Note 33 for Information on Property, Plant and Equipment pledged as securities by the Company



4B. Intangible Assets

Amount in ₹

	Softwares	Total
At 1st April 2019	4,40,937	4,40,937
Charge for the Year	1,60,344	1,60,344
Disposals/ Adjustments for Year	-	-
Balances as at 31st March 2020	4,40,937	4,40,937
Net Book Value as at 31st March, 2020	2,80,593	2,80,593
At 1st April 2020	2,80,593	2,80,593
Charge for the Year	1,60,344	1,60,344
Disposals/ Adjustments for Year	-	-
Balances as at 31st March 2021	2,80,593	2,80,593
Net Book Value as at 31st March, 2021	1,20,249	1,20,249

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Amount In ₹

PARTICULARS	As at March 31, 2021	As at March 31, 2020
5 SECURITY DEPOSITS		
Security Deposits	46,272	46,272
	46,272	46,272
6 DEFERRED TAX ASSEST (NET)		
MAT Credit Entitlement	5,31,813	5,31,813
Deferred tax liability	(19,444)	(55,504)
	5,12,369	4,76,309
7 OTHER NON CURRENT TAX ASSETS		
Advance Tax Paid	25,00,000	25,00,000
Tax Deduction at Source	1,21,541	-
MAT Payable & Current Tax	(24,60,000)	-
	1,61,541	25,00,000
8 INVENTORIES		
Stock in Trade	57,74,149	7,44,82,175
Provision For Stock (At lower of cost and net realizable value)	(14,43,537)	-
	43,30,612	7,44,82,175
9 TRADE RECEIVABLES		
Unsecured , considered good		
Considered Good	65,29,061	16,51,97,876
Provision for Bad Debts	(57,27,897)	-
	8,01,164	16,51,97,876
10 CASH AND CASH EQUIVALENTS		
Cash in Hand	-	-
Balances with Banks		
In Current Accounts	1,08,16,466	81,44,762
In Deposit Accounts	79,54,447	1,48,61,857
	1,87,70,913	2,30,06,619

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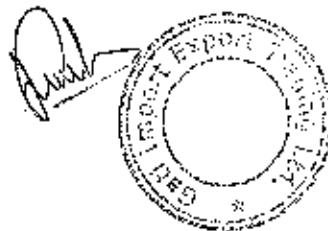
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Amount in ₹

PARTICULARS	As at March 31, 2021	As at March 31, 2020
11 OTHER CURRENT FINANCIAL ASSETS		
Interest Accrued but not yet received	87,650	39,061
	87,650	39,061
12 OTHER CURRENT ASSETS		
Input Tax Credit Receivable	68,38,866	1,29,57,963
Statutory Dues	4,50,774	-
Advance against Supply of Goods	-	89,72,413
	72,89,640	2,19,30,376
13 ASSET CLASSIFIED - HELD FOR SALE		
Free Hold Land	1,97,60,000	-
	1,97,60,000	-
14 SHARE CAPITAL		
Authorised		
50,00,000 Equity Shares of Rs.10/- each		
Issued,Subscribed and Paid-up :		
23,00,000 Equity Shares of Rs.10/- each fully paid up	2,30,00,000	2,30,00,000

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the the share holders, 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 distribution of all preferential amounts, in proportion of their shareholding.

Reconciliation of the number of shares outstanding:		
Shares at the beginning of the year	23,00,000	23,00,000
Total Value of shares at the beginning of year	2,30,00,000	2,30,00,000
Shares at the end of the year	23,00,000	23,00,000
Total Value of Shares at the end of the year	2,30,00,000	2,30,00,000
Details of Shares held by holding company and its nominees		
Gati Limited-Holding Company and Its nominees	23,00,000	23,00,000
Percentage of Holding	100%	100%



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PARTICULARS		As at March 31, 2021	As at March 31, 2020
15 OTHER EQUITY			
Retained Earnings			
As per last Balance Sheet		3,35,89,059	2,73,96,196
Transfer from Statement of Profit and Loss during the year		(4,56,19,887)	61,92,863
		(1,20,30,828)	3,35,89,059
16 BORROWINGS			
Secured			
Working Capital Loans			
From Banks		-	3,41,09,043
		-	3,41,09,043
17 TRADE PAYABLES			
For Goods and Services			
Total outstanding dues other than micro enterprises and small enterprises		3,20,00,167	23,51,42,376
		3,20,00,167	23,51,42,376
(Refer Note 33 for the Details of Security)			
18 OTHER FINANCIAL LIABILITIES			
Payable to Holding Company		41,55,273	19,78,708
Payable to others		10,83,483	8,95,053
Provision For Sales Tax		36,72,315	-
		89,11,071	28,73,761
19 OTHER CURRENT LIABILITIES			
Statutory Dues		-	4,27,447
		-	4,27,447
20 CURRENT TAX LIABILITIES			
MAT Payable & Current Tax		-	24,60,000
Tax Deduction at Source		-	(67,405)
		-	23,92,595

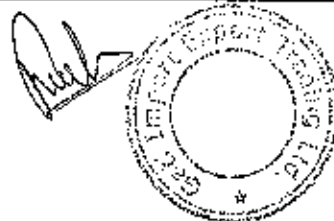


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Amount in ₹

	Particulars	Year ended March 31, 2021	Year ended March 31, 2020
21	Revenue from operations		
	Sale of Hotel Supplies	4,36,76,142	99,34,88,456
	Other Sales	1,11,42,083	19,68,45,292
	TOTAL	5,48,18,225	1,19,03,33,748
22	Other Income		
	Interest on Deposits	5,72,996	2,30,266
	Net foreign exchange gain	-	8,72,969
	Sundry Credit Balances written back	93,446	-
	TOTAL	6,66,442	11,03,235
23	Purchase of Stock in Trade		
	Hotel Supplies	78,23,797	89,56,46,680
	Other Materials	20,85,430	15,92,68,460
	TOTAL	99,09,227	1,05,49,15,140
24	Changes in Inventories of Stock In trade		
	Inventories at the beginning of the year	7,44,82,176	9,00,71,037
	Less: Purchase returns	(2,23,09,989)	
	Inventories at the end of the year	57,74,150	7,44,82,175
	Stock In Trade	-	-
	TOTAL	4,63,98,037	1,55,88,862
25	Operating Expenses		
	Warehousing Charges	13,41,488	4,69,72,026
	Freight Charges (a)	13,81,039	3,27,52,629
	Insurance Charges	52,926	3,73,946
	Other Operating Expenses	26,41,678	1,10,37,512
	TOTAL	54,17,131	9,11,36,113
26	Employee benefit expenses		
	Salaries (b)	21,87,933	93,31,952
	TOTAL	21,87,933	93,31,952

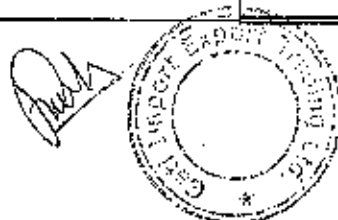


T. Srinivasan

G.

Amount in ₹

	Particulars	Year ended March 31, 2021	Year ended March 31, 2020
27	Finance Costs		
	Interest Expense of Bank	3,67,463	20,25,071
	TOTAL	3,67,463	20,25,071
28	Depreciation and Amortization Expenses		
	Depreciation Expenses for the year	1,60,344	1,60,344
		1,60,344	1,60,344
29	Other Expenses		
	Administrative Expenses		
	Rent (a)	3,95,100	9,00,000
	Bad Debt written off Net	0	10,01,399
	Provision for Bad Debts	57,27,897	-
	Provision for Expiry Stock	14,43,537	-
	Consultancy expenses	4,46,990	5,30,302
	Management fees (b)	2,54,221	12,73,015
	Office Maintenance Expenses	-	2,10,000
	Bank Charges	14,784	5,53,379
	Director Fees	-	60,000
	Misc Expenses	39,69,364	7,27,540
	Travelling & Conveyance Exp	2,150	2,57,845
	Payment to Auditors:		
	-Audit Fees	1,25,000	5,00,000
	-Tax Audit	1,00,000	2,00,000
	GST Paid	3,97,236	29,66,380
	Rates & Taxes	9,200	15,600
		1,28,85,479	91,95,460
30	Exceptional Items		
	Loss on Classification of Asset Held for Sale (a)	2,38,15,000	-
		2,38,15,000	-
a) Exceptional items of ₹ 2,38,15,000 represents diminution in the present fair value of the Land proposed to be sold which is disclosed as "Assets held for Sale".			
31	Earnings Per Share		
	<u>Basic and Diluted</u>		
	Net Profit for the year	(4,56,19,887)	61,92,863
	Weighted Average number of Equity Shares	23,00,000	23,00,000
	Par Value per share	10.00	10.00
	Earnings per Share	(19.83)	2.69



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GATI IMPORT EXPORT TRADING LIMITED

CIN: U60232TG2008PLC057692

32. Notes to Accounts

Related Party Disclosures

Related parties with whom transactions have taken place during the year.

Holding Company

Gati Limited

Subsidiary of Holding Company

Gati - Kinfetsu Express Private Limited

Sl. No.	Nature of Transaction	FY 2020-21		FY 2019-20		Total	
		Holding Company	Subsidiary of Holding Company	Holding Company	Subsidiary of Holding Company	FY 2020-21	FY 2019-20
a.	Expenditure						
	Freight & Others Charges	-	23,43,729	-	7,37,20,699	23,43,729	7,37,20,699
	Warehouse Rent	-	1,70,000	-	3,60,000	1,70,000	3,60,000
	Management Fees	2,54,221	-	12,73,015	-	2,54,221	12,73,015
	Salary & Bonus	19,60,848	2,27,085	98,46,558	36,178	21,87,933	98,82,836
	Rent	2,70,100	1,25,000	6,00,000	3,00,000	3,95,100	9,00,000
b.	Balances at year end						
	Sundry Creditors:						
	Freight & Others Charges	-	1,54,23,474	5,565	1,96,06,517	1,54,23,474	1,96,12,082
	Rent payable	2,95,960	3,24,100	1,08,000	2,37,600	6,20,060	3,45,600
	Salary & Bonus Payable	35,80,923	2,27,085	16,20,075	-	38,08,008	16,20,075
	Management Fees payable	2,78,390	-	2,50,633	-	2,78,390	2,50,633

33 Company has overdue Payables to its fellow subsidiary "Gati Kinfetsu Express Pvt Ltd" amounting to ₹ 160 lakhs towards freight services received and rental Expenses. Original title deeds of immovable property situated in Palwal, Haryana deposited by the company through a deed of Mortgage with the Holding company as a security for such overdue payables.

34 Segment Reporting is not applicable

35 There are no contingent liabilities

36 Previous year numbers are regrouped or rearranged wherever applicable

37 There is no Significant impact on the company due to Covid -19



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